



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

A1
Z 1
-74M21

MACKENZIE VALLEY PIPELINE INQUIRY 8

IN THE MATTER OF APPLICATIONS BY EACH OF
(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and
(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES
FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.,

August 16, 1976.

PROCEEDINGS AT INQUIRY

Volume 170

CANADIAN ARCTIC
GAS STUDY LTD.

AUG 20 1976

LIBRARY

APPEARANCES:

Mr. Ian G. Scott, Q.C.,
 Mr. Stephen T. Goudge,
 Mr. Alick Ryder, and
 Mr. Ian Roland, for Mackenzie Valley Pipeline
 Inquiry;

Mr. Pierre Genest, Q.C.,
 Mr. Jack Marshall,
 Mr. Darryl Carter, and
 Mr. J.T. Steeves, for Canadian Arctic Gas Pipe-
 line Limited;

Mr. Reginald Gibbs, Q.C.,
 Mr. Alan Hollingworth, and
 Mr. John W. Lutes, for Foothills Pipe Lines Ltd.;

Mr. Russell Anthony,
 Prof. Alastair Lucas and
 Mr. Garth Evans, for Canadian Arctic Resources
 Committee;

Mr. Glen W. Bell and
 Mr. Gerry Sutton, for Northwest Territories
 Indian Brotherhood, and
 Metis Association of the
 Northwest Territories;

Mr. John Bayly and
 Miss Lesley Lane, for Inuit Tapirisat of Canada,
 and The Committee for
 Original Peoples Entitle-
 ment;

Mr. Ron Veale and
 Mr. Allen Lueck, for The Council for the Yukon
 Indians;

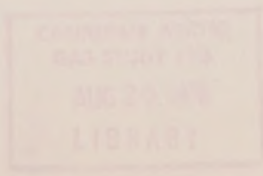
Mr. Carson Templeton, for Environment Protection
 Board;

Mr. David H. Searle, Q.C.
 for Northwest Territories
 Chamber of Commerce;

Mr. Murray Sigler and
 Mr. David Reesor, for The Association of Munici-
 palities;

Mr. John Ballem, Q.C., for Producer Companies (Imperial,
 Shell & Gulf);

Mrs. Joanne MacQuarrie, for Mental Health Association
 of the Northwest Territor-
 ies.



I N D E X

Page

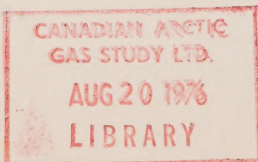
WITNESSES FOR FOOTHILLS PIPE LINES LTD.:

| | |
|--|-------|
| John K. BURRELL, | |
| Miss Maureen E. JENSEN, | |
| John R. ELLWOOD, | |
| John B. MacLEOD, | |
| William J. DEYELL, | |
| - In Chief | 26369 |
| - Cross-Examination by Mrs. MacQuarrie | 26456 |
| - Cross-Examination by Mr. Bayly | 26470 |
| - Cross-Examination by Mr. Sigler | 26492 |

EXHIBITS:

| | | |
|-----|--|-------|
| 684 | Qualifications & Evidence of Burrell, Jensen, Ellwood, MacLeod & Deyell | 26419 |
|-----|--|-------|

347
M835
Vol. 170



Yellowknife, N.W.T.,

August 16, 1976

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Ladies and gentlemen, are we all set?

MR. HOLLINGWORTH: Mr.

Commissioner, the second panel in Phase 4 for Foothills Pipe Lines consists of Mr. John Burrell, Miss Maureen Jensen, Mr. John Ellwood, Mr. Bill Deyell, Mr. John Macleod. It should also consist of Mr. Dick Littledale and Mr. Wally Kosten, both of whom are facing other duties in Ottawa at the moment, and I apologize for their absence, sir. I am not sure at this time if we'll be able to have Mr. Littledale back before you any time, but all the panel are prepared to speak to operations and maintenance matters, and I think will deal with the questions quite adequately.

Mr. Kosten will be back at a date that will be agreed upon between counsel, hopefully today or tomorrow, for cross-examination principally I think with respect to the union contracts which are appended to this evidence.

Mr. Ellwood will read Mr. Kosten's evidence; and Mr. Deyell will read Mr. Littledale's evidence.

I think, sir, that the panel with the exception of Mr. Deyell, have appeared before you at this time.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

JOHN K. BURRELL,

MAUREEN E. JENSEN,

JOHN R. ELLWOOD,

JOHN B. MACLEOD, resumed:

WILLIAM J. DEYELL, sworn:

DIRECT EXAMINATION BY MR. HOLLINGWORTH:

Q Mr. Deyell, I understand that you're presently a senior vice-president of the Alberta Gas Trunk Line Company Limited.

WITNESS DEYELL: Yes, I am.

Q You're a professional engineer with a degree in civil engineering from the University of Toronto in 1951.

A Yes sir.

Q From 1951 to 1959 you were employed with Canadian Bechtel and Dutton-Williams-Mannix, in engineering and construction of the Trans-Mountain Oil Pipeline, Westcoast Transmission systems, the TransCanada Pipeline system, and the Alberta and California Gas Pipeline project.

A Yes sir.

Q That after 1959 you joined the Alberta Gas Trunk Line Company Limited in engineering and construction, and you have been progressively a chief engineer, manager of operations, vice-president, and presently your position of senior vice-president.

A Yes sir.

Burrell, Jensen, Ellwood,
~~MacLeod~~, Deyell
 In Chief

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Q And that' you're a
 director of the Alberta Gas Trunk Line Company Limited
 and of Grove Valve & Regulator Company.

A Yes sir.

Q And there was an error
 on the C.V. that was filed, sir. It stated that Mr.
 Deyell was the director of Alberta Gas Chemicals Limited,
 which he is not.

If I could commence on page
 4 of the prepared evidence, Mr. Burrell, what is Foothills
 overall hiring policy as it relates to northerners?

WITNESS BURRELL: Foothills
 intends to give preferential hiring treatment to all
 employable -- oh, I'm sorry.

THE COMMISSIONER: Miss Hutchin-
 son, before we start, will you get me a cup of coffee
 if there is any left? Sorry, go ahead, Mr. Burrell.

A O.K. Foothills intends
 to give preferential hiring treatment to all
 employable northerners. When the qualifications of a
 northerner and a southerner are equal, preference will
 be given to the northerner.

MR. HOLLINGWORTH: If the quali-
 fications are not equal, will you be providing training
 programs to upgrade skill levels?

A Yes. Those northerners
 in this category who seek employment during the construc-
 tion phase will be encouraged to take advantage of the
 available training opportunities in those skills which

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 will present employment possibilities on a continuing
3 basis in the north. This matter will be dealt with
4 in more detail in evidence presented by this panel on
5 the proposed manpower delivery system.

6 Those northerners who become
7 operations and maintenance personnel with our company
8 will be given the opportunity to receive training
9 which will enable them to take advantage of the long-
10 term employment opportunities offered by the pipeline
11 operational phase. This training will not only be
12 directed towards the upgrading of skills, but also
13 towards qualifying northerners to/^{assume}positions of super-
14 visory and managerial responsibilities.

15 Foothills is not unfamiliar
16 with skilled training programs for northerners. In
17 fact, one of the Foothills sponsoring companies, Alberta
18 Gas Trunk Line Limited, started the Northern Training
19 Program in 1971 which has since evolved into the present
20 Nortran program.
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
Deyell, Macleod
In Chief

1 Q How many northerners
2 will Foothills train and employ?

3 A We presently don't -- we
4 don't presently know. To predict now the number of
5 northerners who will be trained and employed in pipe-
6 line related jobs is an impossibility because it is
7 not known how many northerners will take advantage of
8 these opportunities and how many will actually want to.

9 Q What general policy
10 position does Foothills have with respect to training
11 and employment?

12 A With respect to training
13 and employment, Foothills has taken the position that
14 one, in any given job category, all employees will be treated
15 equally and each will receive equal benefits and
16 allowances including housing provisions.

17 Two, all workers will be
18 assigned responsibilities in accordance with their
19 qualifications. The safety of personnel and equipment
20 must at all times take priority.

21 Three, During the construction
22 phase, northerners will be offered employment at a
23 location as close to their place of residency as it is
24 practical to do so.

25 Four, we are willing to con-
26 sider employment rotation and labour pool systems for
27 the construction phase. However, before this could become
28 workable, all parties concerned would have to be in
29 agreement with the system to be adopted.

30 Five, during the construction

Burrell, Jensen, Ellwood,
Deyell, Macleod
In Chief

1 period, Foothills will rely heavily upon the services
2 of contractors and sub-contractors and Foothills will,
3 by contractual obligations, assure itself that these
4 firms operate in compliance with Foothills' policies
5 respecting employment and working conditions.

6 Six, there is no intention
7 to actively recruit northerners from existing projects
8 but rather we will be addressing ourselves as much as
9 possible to making training and employment opportunities
10 available to those who will be new entrants into the
11 labour force and others who, for a variety of reasons
12 have not fully participated in a wage economy.

13 Q Throughout your testimony
14 you've used the term "northerner." What is the definition
15 of this term?

16 A We have used the term
17 "northerner" to mean all members of native groups indigenous
18 to the Northwest Territories and others who are residents
19 of the Northwest Territories on the date the permit
20 is granted for the construction of the proposed pipe-
21 line.

22 Unfortunately there are a
23 number of definitions of northerner now in vogue and I
24 would strongly recommend a universal definition for
25 this term be established in order to avoid any future
26 confusion and uncertainty.

27 Q Mr. MacLeod, would you
28 please define the scope of your analysis of the popula-
29 tion and available labour force of the Northwest
30 Territories?

1 WITNESS MacLEOD: I have
2
3 endeavoured to assess the effects of the integrated
4 hydrocarbon development comprising the proposed natural
5 gas pipeline, gas plants and gas field development in the
6 areas of impact for which I have been responsible. My
7 analysis has therefore proceeded on the belief that the
8 components of the overall system are inseparable and
9 cannot be validly assessed in isolation. Adoption of
10 this approach has presented some problems in that I am
11 less knowledgeable of producers' intentions than those of
12 the Applicant. However, I believe that the superiority
13 of this analytical framework far outweighs the inherent
14 inconveniences.

15 MR. GOUDGE: Mr. MacLeod, could
16 you pull the microphone a little closer to you please
17 sir, I'm having a little trouble hearing you.

18 A The various impacts of the
19 integrated project have been superimposed upon present
20 conditions which we assume would continue to prevail in
21 the future in the absence of pipeline development. At the
22 same time, I have not explicitly considered the effects
23 of other potential development projects such as a
24 north/south road link completion or an oil pipeline.

25 MR. HOLLINGWORTH:
26 Q How did you arrive at
27 your estimate of study area labour availability?

28 A Because of the limited
29 amount of hard data on the Territories, I used several
30 approaches. In places, such as southern Canada, where
data is generally abundant and of good quality, such a
forecast would be based upon a projection of the working

1 age population and the participation rate. From the
2 resulting gross labour supply, one would deduct the number
3 of persons actively employed to determine the number
4 who are unemployed but available for work.

5 The Territorial Manpower
6 survey conducted in 1969, '70 and the census for 1971
7 provided the basis for a projection of the working age
8 population and also permitted a rough calculation of the
9 participation rate. However, the Manpower survey also
10 clearly documented the erratic work patterns of segments
11 of the northern population. The pronounced seasonal
12 variations and the widespread pattern of sporadic employment
13 opportunities strongly suggest that manpower availability
14 and unemployment vary drastically in the course of a
15 year. Furthermore, since the participation rate
16 incorporates an employment duration factor, mainly those
17 persons be employed or available for employment for at
18 least 46 weeks per year, it is possible that the
19 participation rates derived from the 1969, '70 survey
20 data are over-estimated. In any case, the risk of error
21 was certainly high.

22 Six years in the Territories
23 is a long time and I find it difficult to use such out-
24 dated data. Another Manpower survey was conducted in
25 1975 and I had intended to substitute the results of this
26 recent source for the historic data. Unfortunately, this
27 has not been very successful up to this point.

28 Firstly, the information collected
29 last year has been computerized and the technical problems
30 of compilation and processing have yet to be resolved.

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 Secondly, and this is by
2 far the most crucial, the questionnaire used was
3 designed in such a way that the data collected does
4 not permit determination of conventional participation
5 rights. On the contrary, it merely provides statistics
6 on the number of people employed in the course of a year
7 with little regard to the duration of that employment.
8 Nevertheless, the output that we have received thus
9 far suggests that an increasing proportion of the
10 population is participating in wage employment although
11 the 1969 and 1975 figures are not directly comparable.
12 I am also quite sure that the duration of employment is
13 also increasing but I am unable to precisely quantify it
14 to my satisfaction.

15 With all this in mind, I have
16 pursued a more pragmatic approach. This involved
17 discussing manpower availability with people from Hire
18 North and local employment offices. From these sources
19 evolved an estimate that between 500 and 800 persons
20 were available for employment as of the end of 1974.
21 More precisely, Hire North, which attracts labor from
22 virtually all areas of our study area, could count on
23 having from 500 workers at any one time and a maximum
24 of 800 different people in the course of the year.
25 To these figures, I have added the 62 Nortran trainees
26 residing in the impact region in 1975 in order to obtain
27 my estimate of total (resident) regional labor avail-
28 ability. Unvoluntarily unemployed persons were not
29 involved in either Hire North employment or Nortran have
30 not been explicitly considered in my projections and

Burrell, Jensen, Filwood
Deyell, MacLeod
In Chief

1 are not believed to be numerous except in periods of
2 economic slowdown.

3 Throughout my work, I have
4 attached much more importance to the operations phase
5 rather than to the relatively short construction
6 period. In the former phase, manpower requirements
7 will be primarily for persons who are prepared to work
8 on a sustained basis. For this reason, I have tended
9 to place much more weight on the lower limits of the
10 562 to 862 range.

11 Briefly then, I have derived
12 my regional (that is, study region) manpower availability
13 projections for the operations phase by applying a com-
14 pound annual growth rate of 4.5% to the end of the 1974
15 base of 562 workers available for hydrocarbon employment.
16 This rate is .5% above the 4.0% growth rate of the work-
17 ing age population for the period '76 - '81 and this
18 upward adjustment is intended to reflect an increase in
19 participation rates which should result from the
20 increased exposure to wage employment and the greater
21 number of employment opportunities. The resulting
22 projections appear in an improved version of my original
23 Table 5C-6.3, now numbered Tables VIII and IX in the
24 Appendix.

25 I think that it is worthwhile
26 to point out that these projections do not include
27 any persons now employed who might leave their current
28 employment in favor of pipeline related work.

29 Q What other changes have
30 been incorporated in your revised tables in addition

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 to adding Nortran trainees to the original labor
2 availability figures?

3 A I initially prepared
4 only one set of tables applicable to the entire
5 corridor. But I subsequently decided to produce
6 separate tables for each sub-region.

7 I have also modified the method
8 I have used in projecting secondary employment creation
9 and the criteria used to allocate the limited local
10 work force to a greater number of employment opportuni-
11 ties. I will deal with these changes in due course.

12 Q How did you determine the
13 sub-regional labor availability figures?

14 A I simply prorated the study
15 region total to the sub-regions on the basis of overall
16 population distribution. I readily concede that this
17 allocation procedure is simplistic but a more precise
18 approach would be an almost endless task since I would
19 be constantly adjusting figures for seasonal and general
20 economic fluctuations.

21 Q In view of the current
22 economic contraction, don't you think that your labor
23 availability figures are low?

24 A Yes, they are. However,
25 we do not know when pipeline construction will commence,
26 so we should be more concerned with the availability
27 of labor over the medium term rather than preoccupy
28 ourselves with the short-term fluctuations in
29 economic activity. The base period used for my projec-
30 tions, mainly the end of 1974 or the beginning of 1975,

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 should prove to be an average for the present decade
2 in terms of business conditions which were much slower
3 than in the '70's yet better than at present.
4

5 The current economic contraction
6 is due to two main factors, decreased hydrocarbon
7 activity and a cut-back in government expenditures in
8 real terms. There is every indication that public works
9 will increase in the fiscal '76-77 and will tend to
10 absorb slack particularly in the upper Mackenzie.
11

12 Q Do you think that your
13 assessment of the local labor availability applies
14 equally to both the construction and operations phases?
15

16 A In the operations phase,
17 most of the employment opportunities will be of a
18 permanent nature and emphasis will be placed upon
19 the continuity of employment. This will be particularly
20 true of most of the secondary jobs, many of which will
21 be created in the public sector. Therefore, since not
22 everyone will be available to work on this basis, I
23 think that the lower limit, that is, 562 rather than 862
24 plus the growth factor, would be applicable to this
25 phase. Of course, between now and the commencement
26 of operations, the participation rate which is based on
27 46 weeks a year, could rise faster than we have provided
28 for, such that the entire range of projections would
29 shift upward.
30

31 On the other hand, work in the
32 construction phase will be highly seasonal. Although
33 most of the activity will be concentrated into three
34

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 winter months, limited opportunities in other areas,
2 such as logistics, will exist in the summer. The non-
3 permanency of employment in this phase should therefore
4 accommodate a greater number of northern residents.
5 In this phase, our higher projection which does not
6 appear in the tables would be approached. This would
7 be the 862 people in 1975 plus the 4.5% annual growth
8 factor. It is also conceivable that the already high
9 participation rate of non-native northerners will
10 temporarily increase even further during the construction
11 phase as a result of the prospect of higher earnings.
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

Q Do your labor projections take into consideration female participants in the work force?

A I've given this a lot of thought. A few women are employed by Hire North, particularly as chain saw mechanics and food preparation. There are also a few female training positions within Nortran. To this extent they have been explicitly considered.

Generally whenever the criteria of availability for 46 weeks per year is applied, the participation rate of mature females is very low, although it appears significantly higher in Inuvik and points north than elsewhere in the valley.

This low level of participation cannot be explained in terms of insufficient opportunity. Many young girls graduate from Territorial High Schools with clerical skills, yet few fill the numerous vacancies reported by both private and public employers. These opportunities will be much more plentiful subsequent to pipeline development.

I have discussed this matter on several occasions with Canada Manpower and employment officers and no one has been able to provide projections. Based on this, my frequent contacts with employers, and general observations and experience in the area, it would appear that native females are not particularly inclined to participate in permanent employment at this time. I suppose that one could increase the labor projections

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 by about 100 persons to provide for additional female
2 participation, but I have not done this because this
3 figure would simply be a guess.

4 Q Have there been any changes
5 in the hydrocarbon-related employment figures which you
6 presented in the original filing?

7 A Yes, there have been a few
8 changes .

9 Firstly, projected field devel-
10 opment employment has been adjusted downward in accord-
11 ance with revised producers' evidence.

12 Secondly, I have deducted the
13 current level of field development from the projections
14 so as to isolate additional employment created in this
15 sector as a result of the pipeline. This does not, of
16 course, correspond to the total incremental effect of the
17 pipeline proposal. Should the latter not be realized,
18 the current field development would decline and
19 the regional labor availability figures would be increased
20 to the extent of the present involvement of northerners
21 in this type of employment.

22 Q You previously mentioned
23 that you have changed your method of projecting secondary
24 employment creation. Why did you do this?

25 A When preparing the initial
26 statement, I was under a very tight time constraint.
27 In view of the major data deficiencies in the Territories
28 I considered it sufficient to review multipliers calcula-
29 ted for other regions and to adopt some coefficient on
30 the basis of comparison. This approach was expedient and

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

I had little choice under the circumstances.

Since last April I have had much more time to devote to this matter and the more I thought about it, the more dissatisfied I became with the multiplier of 1.2.

Throughout my analysis, I have considered five residency options which I documented in the impact statement. This sensitivity approach poses the problem of precisely defining the multiplier. In fact, there is no such thing as THE multiplier since this type of coefficient can be calculated in many ways, depending upon the intended use. Hence it could be the ratio of secondary to total direct employment, to total resident employment, to total expenditure, or of total employment to direct employment, just to give an idea of the possibilities.

Secondly, the multiplier approach and others such as the basic or primary industry to service industry ratio, do not readily lend themselves to the type of situation that we have in the Territories. Rather, they are much more relevant to stable mature economies.

Thirdly, if a single multiplier must be used, because of data deficiencies, the value of 1.2, that is .2 new secondary jobs for every new direct, is probably a fairly close approximation of the business multiplier -- the effect of higher incomes and employment in the hydrocarbon industry on incomes and employment in the northern private business sector.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 Unfortunately, it ignores the employment creation
2 effect in the extensive local public sector and this
3 would be substantial should a large number of outside
4 workers establish residence in the valley.

5 In this regard, I point out
6 that at the present time there appears to be about 0.45
7 government jobs in the Mackenzie District for every
8 private job.

9 Although the study region has
10 been expanded to include Yellowknife, my secondary
11 employment and certain other projections exclude the
12 Territorial capital. Since Yellowknife will be removed
13 from the pipeline corridor, the spinoff effects will con-
14 sist primarily of increased public service administrative
15 employment which will result from government hiring
16 policy decisions. I have not attempted to forecast these
17 staff increases because unlike the valley communities
18 where government employment is closely related to the
19 provision of relatively tangible services, additional
20 employment positions in the capital are much less
21 likely to be dependent upon relationships between
22 economic variables.

23 The Yellowknife private sector
24 will be stimulated no doubt by the employment of 56
25 persons in the Foothills' administrative offices and the
26 greater number of civil servants. One could therefore
27 conclude that the multiplier applicable to the entire
28 impact area, including Yellowknife, could be appreciably
29 higher than that applicable only to the valley and the
30 immediate vicinity.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
 In Chief

Q Could you briefly summarize the essentials of the approach that you have finally adopted?

A Yes. My new approach is based upon estimating the local content of the effective demand for goods and services in the impact region, in conjunction with the marginal propensities to spend. My analysis therefore hinges upon the region's productive capacity. This method has enabled me to better utilize existing but nevertheless limited data and to take into consideration a greater number of observations pertaining to the economy of the Mackenzie District.

Some of these observations to which I refer include:

- (1) the level of savings is very low;
- (2) correspondingly, in the household sector, consumer expenditures are very high and the emphasis is on current consumption rather than the acquisition of fixed assets;
- (3) in the private business sector, reinvestment of profits is high and at the same time borrowing for the acquisition of fixed assets apparently exceeds the pool of regional savings; and
- (4) due to the absence of significant manufacture, the high level of consumption and investment is roughly equivalent to a high level of imports, which constitutes leakage from the regional economy.

As in the original Table 5C-6.3, secondary employment creation and requirements for manpower

Burrell, Jensen, Ellwood,
MacLeod, Deyell,
In Chief

1 originating outside the impact area are the two
2 crucial and highly interdependent variables. However,
3 in the revised calculations, instead of using just
4 one multiplier, I have applied several coefficients to
5 reflect:

6 (1) the effect of increased income and employment of
7 northerners on employment in the local, private and
8 public sectors;

9 (2) the income and employment effect of new residents
10 in the impact region on employment in the local,
11 private and public sectors;

12 (3) the effect of non-resident labor in the study region
13 on employment in the local, private and public sectors;
14 and

15 (4) the effect of increased hydrocarbon activity on
16 employment in the two sectors.

Finally, I have added a constant representing the number of government regulatory personnel which will be located in the corridor.

Q What kind of cross checks
did you make in order to assess the reasonableness of the

1 projections?

2 A By using the data in these
3 final tables, I calculated several of the more common
4 multipliers and compared their values with those of other
5 regions such as Alaska and James Bay.

6 Q How does the value of your
7 multiplier calculated according to your new method
8 compare with your original multiplier of 1.2?

9 A In the first case, the
10 value of the multiplier was a predetermined exogenous
11 variable and its value was determined -- its value
12 remained constant whatever the residency option. In
13 my revised approach, the multiplier is essentially
14 endogenous and therefore varies according to the the
15 residency option. However, as an example, the ratio
16 of total incremental employment, including secondary,
17 to total direct, hydrocarbon, employment in a mature
18 period, that is once the pipeline and gas plants are
19 employing the full complement of projected personnel,
20 equals 1.34, 1.37, 1.41, 1.45 and 1.49 for the five
21 respective options, in the intraregional labour mobility
22 case and 1.33, 1.39, 1.45, 1.52 and 1.59 in the labour
23 immobility case, as opposed to the original constant value
24 of 1.2. However, for reasons that I will give later,
25 the higher options are not likely to be achieved.

26 The data in my tables also permit
27 the calculation of public and private secondary employ-
28 ment creation ratios or multipliers. I would caution that
29 the breakdown between these two sectors is subject to
30 more uncertainty than the total secondary impact since the

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 evolution of government employment is more difficult
2 to predict, especially in the Northwest Territories.

3
4 Moreover, the build-up of
5 secondary employment may not take place according to
6 the schedule suggested in the tables, depending upon the
7 extent of underemployment of the base personnel and
8 facilities.

9 With respect to the sub-
10 regional tables, I would add that the apparently high
11 level of secondary employment creation in the Central and
12 Upper Mackenzie can be attributed to a great extent, to
13 the constant number of government pipeline inspectors
14 which are likely to be stationed in Norman Wells and Fort
15 Simpson. The 25 positions which have been assumed for
16 both locations are substantial in relation to the
17 projected direct hydrocarbon employment and do not reflect
18 a higher productive capacity than that of Inuvik.

19 Q How do these new multi-
20 plier values compare with similar ratios for Alaska and
21 James Bay?

22 A I am aware of at least
23 two multipliers which were calculated for Alaska. A
24 value of 1.5 was obtained using the "leakage" approach
25 and a more complex model involving inter-industry relation-
26 ships produced a value of 1.61 for the first year, with
27 cumulative values for successive periods.

28 For James Bay, a multiplier of
29 1.2 was obtained using, I believe, the leakage technique.

30 But, a work of caution is in order

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 before comparisons can be made. In all of these cases,
2 the analyses were based primarily on the construction
3 phase while mine deals with the operations period.
4 Nevertheless, as I indicated in the impact statement, I
5 think that the overall spin-off effect in both phases
6 will be similar in terms of opportunities, which may be
7 capitalized upon locally.

8 It is my understanding that
9 the Alaskan economy is much more mature than that of the
10 Northwest Territories. The private sector is considerably
11 greater than the public sector and includes important and
12 growing manufacturing and wholesale industries which
13 are almost negligible here. Furthermore, the residents
14 of Alaskan labour force is numerically greater and has
15 been able to handle a higher percentage of pipeline
16 related employment that will be possible in the Northwest
17 Territories.

18 Considering the differences in
19 maturity of the private sectors in Alaska and the N.W.T.,
20 one would expect that the multiplier for the Territories
21 would be much lower than that for Alaska. However, the
22 spread is only about 0.1 and would be wider were
23 it not for the very large public sector in the Northwest
24 Territories.

25 The James Bay case is the oppo-
26 site of that of Alaska and similar to the Territories with
27 the important difference that government employment in the
28 area is proportionately very much less. The northern
29 part of the region which constitutes most of the land
30 mass, is very sparsely inhabited, even by our standards.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 The local work force is also numerically limited. The
2 southern part of the area resembles a concentrated Mackenzie
3 Valley in terms of availability of business services.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 Q Why have you not made
2 any secondary employment projections for the construc-
3 tion phase?

4 A There are two main reasons
5 for not doing this.

6 Firstly, the presumably high
7 levels of secondary employment in the earlier phase would
8 be relatively short-lived.

9 Secondly, the capacity of the
10 northern work force and business community to benefit
11 from induced economic effects may not differ substantially
12 from one phase to the other.

13 Q Can you explain in terms
14 of your revised projection technique, whether or not
15 the multiplier effects will differ substantially between
16 the construction and operations period?

17 A In both phases, secondary
18 employment will be created primarily by an increase
19 in the effective demand of:
20 (1) established northerners who were previously unemployed
21 and who obtain pipeline related employment;
22 (2) established northerners who were previously employed
23 but who will benefit from an increase in salary, mainly
24 as the result of overtime, in excess of increases in the
25 cost of living;
26 (3) new resident workers; and
27 (4) non-resident workers, that is commuters from outside
28 the impact area.

29 Although employment and entre-
30 preneurial opportunities will be far more numerous in

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 the construction period, the capacity of the northern
3 work force to accept these opportunities may not be
4 significantly greater than in the operations and main-
5 tenance phase.

6 In the construction phase, the
7 seasonal nature of the work will favor the participation
8 of a greater number of northerners, probably our
9 higher estimate which is in the 800 range. However,
10 this figure refers to the number of participants in the
11 course of a year and is not necessarily synonymous
12 with the number of man-years of employment that will
13 be accepted during the year.

14 Local business capacity will
15 also expand during the construction phase but hopefully
16 not to levels which cannot be sustained in the subsequent
17 period.

18 If we relate these relatively
19 similar capacities to profit from the opportunities
20 created in the two phases and relate them to the
21 corresponding direct hydrocarbon employment figures,
22 the ratio, which is the multiplier, will be lower in the
23 construction phase. The opportunities of the construc-
24 tion period which northerners would not be able to
25 handle would then be assumed by outside workers and
26 firms.

27 The multiplier applicable to
28 construction would be higher if the outside workers and
29 firms to which I have just referred establish residence
30 in the impact area for the duration of the construction

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 activity. However, this would be inconsistent with
2 the non-stationary nature of pipe-laying work and
3 the policy of the applicant with respect to access of
4 construction personnel to the valley communities.

5 The crucial question is not
6 the value of the multiplier but the number of opportu-
7 nities created in relation to the capacity of northerners
8 to capitalize on them. With reference to the construc-
9 tion period, a multiplier of 1.2 or less may be suf-
10 ficient to occupy all interested northerners. An attempt
11 to retain a greater proportion of the total spinoff
12 effects in the north might only be successful by incur-
13 ring disproportionate social costs.

14 Q The Human Resources
15 Planning Institute of Seattle, Washington, conducted an
16 analysis of the induced economic effects of the Trans-
17 Alaska Pipeline. It is suggested that the multiplier
18 effect is cumulative over time. Is this consistent
19 with your conclusions regarding the Mackenzie Valley?

20 A No. I have recently seen
21 references to this study but have not seen the study
22 itself. I would assume that the rationale is that many
23 construction personnel are expected to establish resi-
24 dence in Alaska once construction is completed, and that
25 these new residents would contribute to an expanding
26 economic base capable of supporting additional industry.
27 Otherwise, I fail to understand how 1,000 persons em-
28 ployed in the pipeline construction would create 610
29 secondary jobs in year 1, and 1,780 by year 8. These
30 figures still appear high but I suppose that this type

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 of outcome is conceivable in an economy which has
2 attained a certain degree of maturity.

3 I doubt whether this type of
4 lagged effect will be very significant in the Territories.
5 Because of the dominance of the government sector,
6 there have been substantial permanent employment oppor-
7 tunities, many of which have been taken by southerners.

8 Nevertheless, most of these
9 outsiders continue to be employed on the basis of one
10 or two year contracts and promptly leave at the end
11 of this period. This pattern is also followed by
12 private employees, but much less by employers, and I
13 cannot envisage any significant change over the
14 time span presently under consideration.

15 I think that prime prerequisites
16 for substantial cumulative multiplier effects, for lack
17 of a better term, would include the provision of amenities
18 conducive to the retention of outsiders in the north
19 and the emergence of new productive (or basic) indus-
20 tries. As for the former, this does not necessarily
21 have to involve the transformation of valley communities
22 into comparable southern centres.

23 With reference to the second
24 prerequisite, I cannot envisage the creation of any
25 new significant basic industry in the foreseeable future
26 anywhere in the study region, with the notable excep-
27 tion of the Upper Mackenzie where economic natural
28 gas could probably justify construction of one or more
29 kiln plants and greatly enhance the prospects of the
30 lumber and related industries. This could undoubtedly

Burrell, Jensen, Ellwood,
MacLeod, Deyell,
In Chief

1 create a chain reaction. Over the longer term there
2 could be numerous developments just about anywhere in the
3 valley.

4 Q Has your new method of
5 projecting secondary employment had any effect on your
6 estimate of manpower requirements?

7 THE COMMISSIONER: I don't
8 understand the last sentence.

9 A Developments which could
10 take place anywhere in the valley?

11 Q Well, I suppose in the
12 sense that anything could happen, could developments
13 occur anywhere in the valley based on the --

14 A I was thinking there of
15 mining developments.

16 Q Oh, unrelated -- unrelated
17 to natural gas pipelines or anything else.

18 A Right.

19 THE COMMISSIONER: O.K., fine.

20 MR. HOLLINGWORTH: Q Has your
21 new method of projecting secondary employment had any
22 effect on your estimate of manpower requirements origin-
23 ating outside the impact region?
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 A Yes. The revised second-
2 ary employment projections are almost double those
3 which I had originally prepared while, at the same time,
4 my estimate of regional manpower availability has only
5 been increased by the number of Nortran trainees. The
6 overall effect will therefore be a greater need for
7 outside workers, all other variables being held constant.

8 Q How have you allocated the
9 various kinds of employment to established northern
10 residents, new residents and commuters?

11 A In my original tables
12 5C-6.3 and 5C-9.2, I initially assigned pipeline and
13 gas plant operations employment to established northern-
14 ers to the maximum possible extent, considering the skill
15 levels of these people in relation to the skill require-
16 ments of these positions. Remaining available northern-
17 ers were assigned to secondary and field development
18 employment, in that order of priority.

19 The rationale for this alloca-
20 tion was that pipeline and gas plant operations positions
21 would be the most prestigious and therefore most
22 desirable. As for the two remaining categories of
23 employment, I felt that secondary employment, most of
24 which would be based in the communities, would carry
25 a higher social value because it would allow the employee
26 to remain with his family.

27 In the revised tables, pipeline
28 and gas plant positions have been allocated in the
29 same way as previously. However, adjustments were
30 required in the assignment of secondary and field

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 development to avoid unrealistic results. Without
2 modification of the allocation criteria, all available
3 northerners remaining unemployed after the initial
4 assignment of operations employment, would be holding
5 secondary jobs, with none involved in field development.
6 Such an occurrence would not be consistent with the
7 current and projected Nortran participation of northern-
8 ers in field development training positions.

9 Secondly, despite what I have
10 said about the greater social value of employment
11 within the community, it must be recognized that some
12 natives prefer work in camps well removed from their
13 settlements. The conditions inherent in this type of
14 employment enable them to accumulate greater income
15 through inaccessibility to outlets for spending their
16 earnings and through avoidance of pressures at the
17 settlement level to abruptly and prematurely terminate
18 employment.

19 In order to reflect these
20 realities, I have allocated secondary and field
21 development employment on the basis of the availability
22 of local manpower, their skill levels and the relative
23 availability of employment opportunities in these two
24 categories.

25 Q How have you determined
26 these skill levels?

27 A In the case of hydrocarbon
28 related employment, I have related the skills required
29 of these positions to the number of Nortran trainees
30 and to assessments of skill which the unemployed segment

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 of the labor force has acquired from other sources. As
2 far as secondary employment is concerned, I have
3 relied upon opinions expressed by employment officers
4 and people associated with vocational training.

5 The resulting skill coefficients
6 are aggregates and state, for example the proportion of
7 jobs in each category which could be held by resident
8 northerners. Moreover, these coefficients are not
9 fixed but increase over time. These skill factors have
10 been admittedly difficult to assess and I have had to
11 make frequent changes in the course of my study. The
12 hypothetical values which were finally adopted are indi-
13 cated in the notes accompanying the revised tables.

14 These coefficients may appear
15 low, but actually reflect some optimism on my part.
16 However, it must be remembered that, with the exception
17 of the Nortran trainees, they pertain mainly to unemploy-
18 ed persons with a limited employment history.

19 Q Are your projections of
20 manpower requirements originating outside the study
21 region simply the difference between the total number of
22 jobs and the available local work force?

23 A Yes, but subject to
24 qualifications.

25 Firstly, it must be recognized
26 that given the existing skill levels of the available
27 local work force, certain positions will have to be
28 filled by highly trained personnel originating outside
29 the impact region. Hopefully, local people will be
30 able to assume an increasing proportion of these jobs

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 over a time as a result of a gradual upgrading of
2 skills.

3 Secondly, the mobility of the
4 local labor force will have a bearing upon the final
5 outcome. In my original table 5C-9.2, I have
6 considered the entire corridor without regard to the
7 supply and demand conditions specific to each of these
8 sub-regions. At the sub-regional level, it is evident
9 that the severest shortage of manpower will occur in
10 the delta while, at the same time, pipeline operations
11 and maintenance
12 and will not create enough jobs in the upper Mackenzie
13 to employ the relatively numerous work force living in
14 that area. This is not surprising since the bulk of
15 hydrocarbon employment will be situated in the delta
16 where the available work force is believed to be less
17 than in the upper Mackenzie and vicinity.

18 Over the longer run, the labor
19 surplus in the upper Mackenzie could very well be
20 absorbed by the creation and expansion of basic
21 industries which would become economically feasible with
22 relatively inexpensive natural gas. However, this
23 occurrence is not reflected in my projections.

24 In the shorter term, most of
25 this surplus could successfully obtain employment
26 elsewhere in the valley, mainly in the delta. In some
27 cases, this could be achieved by commuting; in others,
28 relocation would be necessary.

29 These two possible outcomes
30 referred to as the intraregional labor mobility and
immobility cases, are portrayed in the revised tables

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 VIII and IX respectively. The consequences of these
2 two cases are significantly different and highlight the
3 implications of the participation of northerners
4 in northern development.

5 You will note that, for conven-
6 ience, my original table 5C-9.2 has now been fused
7 with tables V to X.

8 Q Are you suggesting that
9 all requirements for manpower in excess of the available
10 local work force will originate from outside the
11 Territories?

12 A No, not at all. In my
13 analysis, I consider the impact region on one hand and
14 the rest of the world on the other. One could expand
15 the impact region to encompass a greater portion of the
16 Northwest Territories but this would not serve much
17 purpose because the further one goes from the immediate
18 corridor, the lesser will be the impact. Even at present,
19 we have defined the impact region as including areas
20 which are far removed from the main line, notably Hay
21 River, Fort Providence, Rae-Edzo and Yellowknife.

22 Hopefully, some of the projected
23 manpower shortfall will be met by residents of other
24 parts of the north. However, there is little quantita-
25 tive difference in the impact on the corridor region
26 between a worker originating from a northern community
27 situated outside the corridor and one from the south.
28 Both will contribute to the population increase of the
29 receiving community and will exert similar demand on
30 public and private services.

Burrell, Jensen, Fllwood
Deyell, MacLeod
In Chief

Qualitatively, of course, the differences will be considerable and would affect major sociological considerations such as the ethnic distribution of the population. The policy of the applicant with respect to the priority hiring of northerners be they resident of the corridor or elsewhere, will tend to alleviate potential disruptions of this nature.

Burrell, Jensen, Ellwood,
MacLeod, Deyell,
In Chief

1 Q This leads us to demographic
2 projections. How did you arrive at your estimates of
3 natural population increases, that is in the case
4 where there is no development?

5 A Now before answering
6 this question I would like to emphasize that the sole
7 purpose of making such projections is to have a base
8 upon which the impact of some new development, in
9 this case the pipeline, can be superimposed. The pro-
10 bability that these projections will conform to reality
11 diminishes rapidly over time and approaches zero, be-
12 cause over the time span under consideration some
13 kind of development will likely occur. And because of
14 the very limited scale of the economic and demographic
15 base of the Mackenzie District, this impact will not
16 go by unnoticed.

17 As you are probably well aware,
18 there are several sets of population projections pre-
19 sently in circulation. Most of the serious estimates
20 are based on the 1971 census while another is the product
21 of field work undertaken by Gemini North Ltd. before
22 census data was available. Since population estimates
23 in the Territories are subject to a higher degree of
24 error than elsewhere in Canada, and since specialists
25 have spent much more time on the subject, I would have
26 had to devote excessive time and effort, in relation to
27 the limited potential returns, just to attempt to improve
28 upon the present state of knowledge. With this in mind ,
29 and considering that we are concerned primarily with
30 the potential demographic impact resulting from the

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

proposed hydrocarbon development, I have adopted an expedient and highly pragmatic approach.

Basically, this involved adopting the 1971 census data for all communities with the exception of Hay River, Kakisa Lake and Trout Lake, in which cases Gemini North Ltd. field data seem to conform more closely to my impression and that of the social consultant retained by the applicant. I also adjusted 1971 census data for Inuvik and Fort Simpson by 5 and 10% respectively, to take into account the presence of the quasi-permanent transient population residing in hotels and hostels. Finally, Gemini North descending natural growth rates were applied to the selected 1971 base data. The objective of this approach was to find the most accurate actual figures for 1971 to which could be applied growth rates that would produce estimates for 1975 which best conform to my impressions of the current population. These impressions were based not only on personal observations but reflect informed opinions of mayors, settlement secretaries, and the social consultant retained by the applicant.

These projections could be revised periodically using the same method, but I suggest that what I said earlier about manpower availability projections and fluctuations in general economic activity applies equally well here. Nevertheless, I note that the population of Inuvik, Fort Simpson, and perhaps Hay River, have declined in absolute terms since my population projections were made in early 1975.

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

1 Q How did you determine
2 the population increases resulting from the proposed
3 pipeline and related developments?

4 A Essentially I applied a
5 multiple of 2.5 to the projected number of workers
6 originating from outside the impact area, who elect
7 to establish residence in this region. Such workers
8 include all outsiders who would fill pipeline opera-
9 tions, maintenance and management positions in the north
10 secondary jobs, and varying proportions of outsiders
11 holding field development jobs. With respect to the
12 latter, I have considered five possibilities according
13 to which 0%, 25%, 50%, 75% and 100% of these workers
14 would choose to reside in the impact region. In addi-
15 tion, a few gas plant operators might live in the delta,
16 although producing companies suggest that most of their
17 personnel will be commuters who will work on a rotational
18 basis.

19 The application of the multiple
20 of 2.5 pertains to the assumption that each new resident
21 worker during the operations phase will be accompanied
22 by an average of 1.5 dependents. This figure was ob-
23 tained from the Gemini North Ltd. study. The population
24 impact appears in the new Table XII, and these figures
25 have been superimposed upon Table X to obtain Table XI.

26 Q Consideration of these
27 five residency options results in an equal number of
28 projections. Do you have any idea which of these pos-
29 sible levels will prove to be the most realistic?

30 A I tend to put more weight

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

1 on the lower projections with a gradual increase over
2 time. More precisely, I think that the average option,
3 that is 0.5, would be the upper limit and probably
4 would not likely be attained before the sixth year of
5 substantially increased field development activity. Even
6 this could be on the high side.

7 Since roughly two-thirds of
8 the projected total of hydrocarbon employment will be
9 in field development, the choice of residency of the
10 outsiders filling these positions is crucial. Up to
11 the present, the labor shortage in the field development
12 category has been met almost exclusively by commuters
13 from the south. In the future, this type of employment
14 will still be located in camps and is not likely to be
15 any closer to communities than it is at the present.
16 For this and other reasons, it is most unlikely that
17 it will ever be possible to commute daily from a
18 northern community to a work site in the field. This
19 being the case, I do not think that there are sufficient
20 grounds to believe that all of a sudden these commuters
21 will massively take up residence in the impact region.
22 The only justification for a change in the existing
23 residency pattern would be greatly improved prospects
24 of continuity of employment attributable to the higher
25 level of projected activity in the field. However,
26 I would imagine that this factor would apply only to a
27 minority of the southern commuters, since most appear
28 to be of a temperament which is more compatible with
29 intermittent rather than sustained employment.

30 I know that some very high

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

1 projections have been made by others, and as far as
2 I know, they are based on the realization of higher
3 residency options. Should they follow from such
4 hypothesis, I would say that they are unrealistic
5 and alarmist.

6 Q Are you suggesting that
7 your population projections with development will
8 ultimately conform to actual population figures which
9 will be attained in the future?

10 A No. I have been asked
11 to assess the impact of one particular development
12 project and its inter-related components, and my
13 assessment has been limited accordingly. Other
14 developments will undoubtedly take place, the impact
15 of which will be additive. Over the medium term,
16 completion of the Dempster Highway is virtually inevi-
17 table, and there is every indication that it will have
18 greater impact, particularly social, but also economic,
19 than the proposed pipeline. Some day, the Mackenzie
20 Highway will reach the Arctic Ocean, an oil pipeline
21 will eventually be considered, mineral developments
22 could take place at several possible locations in the
23 valley and lumber related industries could vastly expand
24 the Upper Mackenzie. None of these possible develop-
25 ments are reflected in my projections and, for this
26 reason, my population projection should tend to be
27 low over the longer term.

28 Q How have you allocated
29 the overall projected population increase to the
30 various communities?

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 A I have proceeded on the
2 assumption that all of the manpower originating outside
3 the impact region which establishes residence would
4 reside in the largest communitiy closest to the place
5 of work. In my original projections, I assumed that
6 these new residents originating from other areas of
7 the north -- I assume that some new residents
8 originating from other areas of the north but outside
9 the impact region would settle in valley settlements,
10 particularly in the delta. This assumption is no longer
11 reflected in my figures because of the highly subjec-
12 tive nature of the estimate. Nevertheless, I still
13 believe in the validity of this hypothesis.

14 In general then, most of the
15 population increase will be concentrated in Inuvik,
16 Norman Wells, and Fort Simpson, The demographic growth
17 of Yellowknife will also be stimulated.

18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 Q Have you projected any
2 population movements within the sub-regions subsequent
3 to the commencement of pipeline operations?

4 A No, I have not. At the
5 present time, and it's not uncommon for people to
6 temporarily leave their home settlement of say, Aklavik
7 or Jean Marie River, to work for a while in Inuvik or
8 Fort Simpson. I suspect that this pattern will continue,
9 but, over the longer term, I think it would be reasonable
10 to expect a greater degree of urbanization.

11 Q What effect do you see of
12 the projected population increases on the ethnic balance
13 in the impact region?

14 A Assuming that non-native
15 outsiders choose to reside in the three larger centers
16 that I mentioned earlier, one can conclude that these
17 communities will experience an increase in the percentage
18 of non-natives. On the other hand, the ethnic balance
19 within the smaller settlements should not be affected
20 significantly.

21 Q Are there any factors
22 which would tend to minimize the potential disruption
23 of the ethnic balance of the impact region as a whole?

24 A Yes. There are at least
25 two important factors.

26 Firstly, there is a good
27 possibility that the participation rate of natives will
28 increase. Should this occur and, in addition, be it
29 accompanied by a more rapid improvement of skill levels
30 than we have projected, requirements for manpower originat

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 outside the impact area will be correspondingly reduced.

2 Secondly, it is generally
3 believed that many native northerners have left the north
4 over the years because of inadequate employment opportunities.
5 This observation, therefore, raises the possibility that
6 some of these former residents will return as a result
7 of the creation of new opportunities due to hydrocarbon
8 development.

9 THE COMMISSIONER: Excuse me,
10 Mr. MacLeod, that general belief is one that no one has
11 expressed here before. On what do you base that state-
12 ment? Is it just something generally held or is it the
13 product of any study?

14 A Well, there are personal
15 cases that I can think of. I think a couple of former
16 northerners addressed your Inquiry in the south, Dr.
17 Carpenter from Sachs was one. So, I didn't conduct any
18 study on this.

19 Q Yes, well, he's the only
20 one that I can think of and --

21 A Well, every time I go
22 to Edmonton and Calgary I run into them.

23 Q Oh, I see. Okay, carry
24 on.

25 MR. HOLLINGWORTH: Your popu-
26 lation projections are restricted to the operations phase.
27 Do you not anticipate any demographic impact during the
28 construction period?

29 A Yes, I do, but I attach
30 much more importance to the operations phase because the

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 impact of this latter period will be a far greater
2 determinant to future requirements for a wide range of
3 public and private services ranging from health care
4 to housing. This is one of the prime reasons for which
5 population estimates are made.

6 In view of the applicant's
7 intended policy of restricting the movements of construc-
8 tion workers to work sites, the population impact is likely
9 to be far less than in the operations phase. However,
10 this does not mean that it will be negligible.

11 Firstly, considerable secondary
12 employment will be created during the construction phase
13 and much of this will be handled by local firms which
14 are based in the communities. This will tend to increase
15 the local population to the extent that all these man-
16 power requirements cannot be met locally. But, at the
17 same time, it is expected that these new employees will,
18 for the most part, be performing their functions out of
19 town in the vicinity of the pipeline right-of-way, and
20 in many cases, reside in camps at the work sites.

21 Secondly, there is another
22 class of firms, both local and originating elsewhere,
23 which will increase their local personnel within the
24 communities. A good case in point is the air charter
25 industry. These firms will still have to base their
26 equipment and personnel at their licenced base.

27 Other logistics personnel,
28 although not numerous, will also be located in the three
29 principle communities.

30 Thirdly, the oil field service

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 company representatives, to whome we referred previously,
2 will not wait until gas starts to flow before returning
3 to the north, probably in greater numbers than before.
4

5 However, I would like to point
6 out that many of these people were here during the
7 boom period of the early 1970's and should therefore
8 be reflected in the 1971 population figures which have
9 provided the basis for my projections. Many will return
10 to occupy residences vacated over the last few months.

11 The greatest prospect for new
12 population impact would come from the oil field service
13 category. Since these people have been accounted
14 for in projections for later years, their early arrival
15 will merely have the effect of advancing a portion of
16 the projected increases ahead two or three years.

17 In view of the Alaskan experience,
18 transients from the south would be the most numerous and
19 potentially the most disruptive element of demographic and
20 other impact. Just as Fairbanks was the drawing point
21 in Alaska, one might expect Inuvik to be the major jumping
22 off point in the Territories; however, the similarities
23 end there.

24 First of all, there is no road
25 link to the south at present and completion of an all
26 weather highway is unlikely before pipeline construction
27 is terminated. This means that Fort Simpson will be the
28 furthest point north accessible by road.

29 Secondly, in Inuvik and the
30 settlements in particular, and the north in general,
most housing is directly under public control. Hotel

1 capacity is geared to present demand and is therefore
2 limited.

3
4 These two major obstacles
5 the necessity of at least a one way plane fair worth
6 about \$200.00, the extremely limited availability of
7 accommodation at any price and the probability that
8 southerners will go through hiring halls located in the
9 south should help avoid the creation of a transient
10 problem of Alaskan proportions. This does not mean that
11 few will come; rather, those who come will not be able to
12 remain long. Consequently, the demographic impact
13 should not be great although this may not necessarily be
14 true of other sensitive areas, particularly those of a
15 social nature.

16 Q Mr. Ellwood, will you outline
17 the construction manpower requirements for the Foothills'
18 project?

19 WITNESS ELLWOOD: Figure one,
20 which is attached to this evidence, shows the total man-
21 power required for the project. This figure supersedes
22 Figure 3D-1.2 in the original Foothills' application.
23 The manpower requirements shown in Figure 1 include per-
24 sonnel required for the following construction activities.
25 Surveying, support facility construction, logistics,
26 pipeline construction, compressor, station construction,
27 catering and construction management.

28 Figure 1 does not include
29 manpower estimates for the following activities which
30 will be dealt with later, the District Headquarters staff,

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

Enterprise and Axe Point staging sites, construction of
community laterals.

As can be seen from this graph,
the peak manpower requirements build up at the following
approximate rates:

1050 in the first year,

1500 in the second year,

3250 in the third year,

6000 in the fourth year,

4500 in the fifth year,

250 in the sixth year,

2100 in the seventh year and

1700 in the eighth and last year of the construction
programme.

During years two to five
inclusive, these peak requirements occur during the three
and one half month winter season and the manpower required
during the summer season varies between 40 percent and
60 percent of the peak for that year.

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 Q Have you made any
2 estimates of the percentage breakdown of the work
3 force according to skill levels?

4 A Yes. Figure II, which is
5 attached to this evidence, shows the relative
6 composition of the work force according to skill
7 level. The skill classification system which we have
8 used in preparing this graph is the same as the one
9 suggested on page 70 of the volume entitled "Regional
10 Impact of a Northern Gas Pipeline", Volume I -- Summary
11 published by the Task Force on Northern Oil Development
12 as Report No. 73-28.

13 From Figure II, it can be
14 seen that the number of workers required in skill
15 Category IV averages approximately 23% of the total
16 work force and peaks in year four with approximately
17 1320 workers required. Similarly, Skill Category III
18 averages approximately 13% of the work force and peaks
19 at approximately 840 workers in the year four; Skill
20 Category II average 43% of the work force and peaks at
21 approximately 2280 in the year four and Skill Category
22 I averages approximately 21% peaking at 1560 in year
23 four.

24 Q How many of the employment
25 opportunities which you have just described do not
26 require previous pipeline construction experience?

27 A By definition, all of the
28 positions in Skill Category I require previous pipeline
29 construction experience and therefore, none of these
30 positions will be available to persons who are not part

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 of the pipeline construction industry at the time the
2 project gets under way. However, many of these positions
3 required relatively short periods of exposure to
4 pipeline construction and those persons who are skilled
5 construction workers will be able to move into these
6 positions as the project progresses.

7 The percentages of positions
8 in Skill Category II which do not require previous
9 pipeline experience is limited by safety, productivity
10 and training considerations. Our judgment is that
11 something in the order of 5 to 10% of these positions
12 could be filled by "non-experienced" personnel without
13 jeopardizing safety or unduly restricting the ability
14 of the crew to function.

15 Virtually ^{all} of the positions
16 in Skill Categories III and IV can be filled by persons
17 without prior pipeline experience.

18 Q Earlier you mentioned
19 three areas of construction activity which are not
20 included in these estimates. Would you deal with them
21 now?

22 A Our construction management
23 plan presently calls for:

- 24 1. offices to be located in Yellowknife, Fort Simpson,
25 Norman Wells and Inuvik. Each of these offices will
26 have 25 to 35 personnel located in them. It is anticipat-
27 ed that such personnel will be directly ^{employed} by Foothills.
28 2. The Enterprise and and Axe Point staging sites
29 require from a low of approximately 50 personnel each
30 rising to approximately 140 personnel each during the

Burrell, Jensen Ellwood
Deyell, MacLeod
In Chief

1 peak season. These personnel will be housed in
2 self-contained camps at or near the staging sites.

3 3. The construction of the community gas supply
4 laterals will be by "small inch" contractors. The
5 construction of the Yellowknife/Pine Point lateral
6 system will require two spreads with 250 to 300 men
7 each. These crews will be housed in self-contained
8 camps. As for the laterals to the Mackenzie Valley
9 communities, these could be constructed by the same
10 crews which install the community gas distribution
11 systems.

12 Q In your opinion (and I
13 opinion),
14 realize it's Mr. Kosten's/ will this project be under
15 union jurisdiction?

16 A The question of whether
17 the project is under union jurisdiction revolves around
18 whether the pipeline contractors that are engaged to
19 execute the construction are signatory to collective
20 agreements with the four trade unions that exercise
21 jurisdiction over mainline pipeline projects.

22 While there may be individual
23 exceptions, most of the major pipeline contractors
24 that are capable of constructing what is referred to as
25 a "big inch" pipeline carry out the work in accordance
26 with the four trade union collective agreements.

27 The collective bargaining
28 process that has been established in the Canadian pipe-
29 line construction industry is that the Pipeline
30 Contractor's Association of Canada acting as the agent
for its member contractors, on their behalf from time

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 to time negotiates agreements with the trade unions.
2 The members of the Association have agreed to be bound
3 by these agreements even though individually they may
4 not be signatory to them.

5 The present union agreements
6 cover and the unions claim jurisdiction over work
7 that is proposed to be performed in the Northwest
8 Territories. As these agreements are legally binding,
9 the four trade unions in fact do have jurisdiction on
10 the project proposed by Foothills in the Northwest
11 Territories if the work is performed by "union" con-
12 tractors.

13 Inasmuch as Foothills must
14 ensure that the contractors that it will engage for the
15 construction of the project are capable in both resources
16 and financial capability to ensure completion of the
17 project, and will also be required to demonstrate
18 previous experience of constructing large diameter
19 pipelines, we cannot visualize a contractor attempting
20 to operate non-union on the mainline portion of our
21 project.

22 Further, in order to preclude
23 the possibility of a strike on the project during the
24 construction period, Foothills would request the
25 Association to negotiate a Project Agreement for its
26 project with the unions that would ensure as far as
27 possible, labor peace on the project during the life of
28 the construction.

29 As the negotiating process to
30 develop such agreements is a complex and specialized

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 function and has evolved over the years, it should be
2 conducted by the Pipeline Contractor's Association
3 which has a competence in this negotiating process and
4 which can maintain practices that have been developed
5 or is in the best position to develop and incorporate
6 new practices if they are required, such as the
7 incorporation of the northern natives into the work
8 force.

9
10 Q What are the current
11 procedures for hiring on pipeline projects?

12 A While each contractor
13 may vary the way in which he implements the procedure,
14 each of the agreements has a section that describes the
15 "Hiring Prodedure" that will be followed for the
16 members of that union. In this regard, copies of the
17 agreements between the Contractor's Association and
18 the four trade unions are filed as Exhibits.

19 It should be pointed out that
20 these agreements cover only the mainline pipeline
21 construction. The construction of compressor stations is
22 covered by union agreements with the appropriate
23 Building Trades' Council.

24 The majority of the construc-
25 tion forces on the project would come under the
26 mainline pipeline agreements.

27 Prior to the commencement of
28 the project, the contractor and the various union
29 business agents hold a "pre-job conference" to discuss
30 the details of how the contractor intends to proceed
with the work, such as: the number of working days per

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 week, the normal hoursper working day, the location of
2 the camp or warehouse, frequency of payment of wages
3 and so forth.

4 The same agreements previously
5 referred to also contain a section on "Working Rules"
6 which must be adhered to by the contractor.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 Q How do you foresee the
2 implementation of the agreements to your project, and
3 the incorporation of the northern natives into the
4 work force?

5 A There is no simple answer
6 to this situation. As the project will be under union
7 jurisdiction, then provision must be made in the pro-
8 ject agreement to provide a mechanism for the provision
9 of opportunity on an equal basis without discrimination
10 for those people that want to participate in the pro-
11 ject on the one hand, and balance this with the need
12 to have sufficient personnel available with appropriate
13 skill levels to get the job done.

14 The mechanism by which to
15 achieve this result must be established jointly by
16 all the parties that will be involved through nego-
17 tiation and cannot be established unilaterally. In our
18 opinion, the matter should be referred to the Joint
19 Canadian Pipeline Advisory Council of the Pipeline
20 Contractors' Association and the unions with a request
21 that they meet with the appropriate representatives of
22 northern residents and come to an agreement to ensure
23 the incorporation of northerners.

24 If some such procedure is not
25 instigated, and conditions are set down unilaterally,
26 the potential might exist for labor problems when any
27 attempt to implement these procedures is made at the
28 commencement of construction.

29 The other factor involved, of
30 course, is the aspect of having qualified personnel

Burrell, Jensen, Ellwood
MacLeod, Deyell,
In Chief

1 available where a degree of skill is required from
2 the standpoint of acceptable productivity and safety.
3 To this extent, training programs can be established
4 in order to provide some of the basic training for
5 those who wish to participate, but have little or
6 no previous experience . This could possibly be
7 accomplished in conjunction with the screening procedure
8 discussed by others on this panel.

9 Q All right. What areas
10 of influence will Foothills have on ensuring that
11 northerners and particularly natives get jobs?

12 A We feel that the area
13 of influence where Foothills can be most effective
14 is to attempt to instigate the negotiation -- I seem
15 to have run out of voice here.

16 MR. HOLLINGWORTH: It's nearly
17 12:30, sir, perhaps we could adjourn.

18 THE COMMISSIONER: Let's
19 adjourn until two then, and see how Mr. Ellwood feels
20 then. O.K.

21 (QUALIFICATIONS & EVIDENCE OF BURRELL, JENSEN,
22 ELLWOOD, MACLEOD & DEYELL MARKED EXHIBIT 684)

23
24 (PROCEEDINGS ADJOURNED TO 2 P.M.)
25
26
27
28
29
30

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. HOLLINGWORTH: Mr. Commissioner
before I commence the questioning again, I might say that
as you know, Mr. Blair, the President of Foothills, intends
to attend the Colville Lake hearing which is scheduled
for this Saturday, the 21st. He will be in Yellowknife
on Friday, and would like, if it's possible and I've
checked with some of the counsel, to make a speech at that
time, make a statement to the Inquiry and I can distribute
the text of that as soon as possible upon receiving
the approval.

THE COMMISSIONER: Well, I
see no difficulty and I don't anticipate any, but if
any member of -- if anyone has an -- I mean counsel has
any objection, they might tell Mr. Goudge. We'll assume
that -- you can assume that we'll be happy to hear from
Mr. Blair at whatever time is convenient to him on Friday.

MR. HOLLINGWORTH: Fine, and
he would be available for cross-examination in the normal
course, I take it.

MR. STEEVES: It's a speech,
will any questions be allowed?

THE COMMISSIONER: Well,
that was just indicated. I think it's a statement,
there was a slip of the tongue there.

MR. GOUDGE: It may be,
with luck it will be a question and answer form

MR. HOLLINGWORTH:
Mr. Commissioner, when we left
off, Mr. Ellwood was in the middle of answering question
59 and perhaps I could go back and start with that question

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

again.

Mr. Ellwood, what areas of influence will Foothills have on ensuring that northerners and particularly natives get jobs?

WITNESS ELLWOOD: We feel that the area of influence whereby Foothills can be most effective is to attempt to instigate the negotiation of a Project Agreement between the various parties as indicated previously with the request that the provision for the northern natives be incorporated and built in to the Project Agreement or agreements.

Foothills would be prepared to participate in any such negotiations as an interested party or to express our views as to the adequacy of any such provisions that may be evolved. We recognize that the historic negotiating process must be maintained in order to maintain the continuity of good labour relations in the industry.

Q What are your views on training or upgrading programmes, either in existence now or new programmes to help northerners advance to higher skilled jobs?

A The present training programmes that have been developed jointly by the contractor's association and the unions in conjunction with Canada Manpower have been adequate to help the industry keep up with labour requirements. The present programmes have been based on the concept that individuals that have had some exposure to the industry are provided with the opportunity to upgrade their basic skill. For

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 example, programmes have been established which have
2 provided to unskilled people some understanding of
3 pipeline construction practices so that they could
4 then proceed with further upgrading through on the job
5 training. For the individuals that are interested in
6 progressing, on the job training is the most effective means
7 of upgrading skills.

8 There are, however, opportunities
9 in a construction project that require little or no
10 previous experience and the training is actually
11 acquired on the job. This training is usually obtained
12 by association as a helper to a skilled tradesman. To
13 a large degree, it is anticipated that for a significant
14 portion of the northerners, this course may prove the
15 most practical.

16 Q Mr. Burrell, it has been
17 stated that there will be many job opportunities
18 available to northerners during both the construction and
19 operational phases of the pipeline and its associated
20 development. Since most northerners will be unfamiliar
21 with the type of work, the working conditions and pro-
22 cedures which will prevail, how are they going to be able
23 to take advantage of these opportunities, should they
24 desire to do so?

25 WITNESS BURRELL: In my opinion,
26 this would best be accomplished through a simple,
27 efficient northern manpower delivery system.

28 Q And how would you see
29 such a system structured?

30 A With all the various parties

Burcell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 which could be involved and the number of uncertainties
2 which presently exist, such as what conditions will be
3 contained in the permits, what roles each of the parties
4 might eventually play in such a system, to name a few,
5 it is impossible to set out any detailed delivery system
6 at this time. We have, however, developed the framework
7 for a possible northern manpower delivery system, which
8 I believe is worthwhile presenting, because it does
9 indicate generally the steps which might be followed.

10 In going through this exercise,
11 it became obvious that if such a system is going to be
12 functional, all parties involved must be in agreement
13 with the objectives, structure and operation of the
14 system, and also must be prepared to assume their share
15 of responsibility. However, to make such a system workable,
16 it is our opinion that one group must take the respons-
17 ibility for its overall operation. Such a system, too,
18 must be compatible with the contents of the project
19 agreements which are developed for this northern pipeline
20 project.

21 In our opinion, a delivery
22 system should become operational as quickly as possible
23 following the issue of those permits necessary to construct
24 the pipeline so that northerners can be in a position
25 to take advantage of the job opportunities which the
26 construction phase will offer.

27
28
29
30

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 Q What overall objectives
2 did you attempt to satisfy when formulating this
3 northern manpower delivery system framework?

4 A 1. The system should
5 be designed for the impact region, but with the
6 capability to provide information outside the impact
7 area if requested.

8 2. The system should be designed to deliver northern
9 manpower to the total project, i.e., pipeline and
10 related activities. This would avoid unnecessary
11 duplication and competition for the northern worker.

12 3. The system should as much as possible, direct
13 northerners into the vocation for which they are best
14 suited.

15 4. The system should prepare the northerners for the
16 working conditions which they will encounter.

17 5. As much of the delivery system functions as
18 practical should be carried out in the communities, thus
19 allowing the northerner to remain in his home community
20 as long as possible.

21 6. The system should utilize services available from
22 the existing sources as much as possible.

23 Q What functions do you
24 believe should be included in any northern manpower
25 system?

26 A The flow chart attached
27 as Table III of the Appendix shows the framework of a
28 possible northern manpower delivery system.

29 Q Would you please describe
30 what is intended for the activities which are shown?

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

A The initial activity of the delivery system is to provide advance information. The objective here is to familiarize northerners with the employment opportunities which are available.

1. It is suggested this might be accomplished through employment offices located in each of the communities in the impact region. Information would be provided on request to residents outside the impact region. Information and counselling could be provided on such topics

as:

- (a) Function of a pipeline and associated activities.
- (b) Number of jobs available.
- (c) Job descriptions including qualification level, length of employment, rates of pay and future prospects
- (d) Upgrading and training programs available, and,
- (e) An overview of the total manpower delivery system including data on:
 - (i) Jobs conditions,
 - (ii) Camp life,
 - (iii) Union procedures and regulations and,
 - (iv) Common industry practices.

2. From the Advanced Information should come the indication by northerners of any interest in employment on the project, at which time, education and job history of each applicant could be obtained.

3. The next step in the process is the initial screening. At this point, based upon interest, education and experience, northerners are directed into one of

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

following suggested categories.

- (a) Construction -- pipeline, building trades or services, or,
- (b) Administrative and clerical, or,
- (c) Operations and Maintenance.

This function could also be accomplished through the community employment offices.

Since government already has departments providing services similar to those described and in fact have offices located in a number of the northern communities, it is my opinion that in order to avoid duplication of the services it would be appropriate for government to provide these functions.

4. For those northerners entering one of the construction phase sub-categories, the selection process would be the next suggested step. At this stage, the experience, education and interests of the candidates are again evaluated and each candidate is further channelled into the craft for which he appears to be best suited. Selection would be made by a panel with representation from the interested parties, i.e. representation from the government, owner, contractors, unions, and local organizations. The selection panel representing pipeline construction for example, would determine if the candidate was job ready an on-the-job trainee, a special trainee or an apprenticeship trainee.

The definition of job ready in this situation would mean that the candidate's job

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 history shows he has the skills such that he can go
2 directly to the job as a journeyman.

3
4 An on-the-job trainee would
5 mean the candidate's job history shows he has the basic
6 skills but requires on-the-job experience.

7 Special training would mean
8 the candidate's job history shows some basic skills but
9 needs concentrated instruction and experience before
10 being classified as QJT.

11 Apprenticeship trainee would
12 mean the candidate has a desire to learn the trade
13 and become a qualified journeyman. Minimum education
14 education standards would have to be met or the
15 candidate would be required to take upgrading courses.

16 Candidates classified as job
17 ready, QJT. trainees or apprenticeship trainees would
18 then join the union. It is suggested that such
19 candidates could then be dispatched from their home
20 community through a telex connection with the actual
21 union halls located possibly in Edmonton or Vancouver.
22 In this way, northerners could remain in their home
23 community as long as possible. Following dispatch,
24 they would attend the project orientation program
25 (probably held at a construction camp). From this
26 orientation program, the worker would be given his work
27 assignment.

28 Special training candidates
29 would be assigned to a training area for instruction be-
30 fore being qualified as an QJT.

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1
2 5. For those northerners designated as administrative
3 and clerical candidates, they could then be further
4 classified as job ready, referred to the Nortran program
5 or to attend a business or vocation school.

6 6. For those northerners designated as operations
7 and maintenance candidates, they would be referred to
8 the Nortran program for training.

9 Q Would this type of
10 manpower delivery system also apply to southern
11 workers?

12 A No. They would be hired
13 in the normal manner.
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Q What you have outlined is a proposed framework for a Northern Manpower Delivery System. There have been concerns expressed, however, as to how the northern residents will actually be integrated into the work force. What is your proposal to accomplish this most effectively to satisfy the government guidelines, and to satisfy the ambitions of the northern residents?

A We have given extensive consideration to this situation and have had discussions with the Canadian Pipeline Advisory Council which is a body composed of representatives of the contractors and unions. As the construction of the facilities for Foothills will be carried out by contractors, and will be under the jurisdiction of trade unions, we can foresee that a special agreement or agreements will be required for a northern pipeline to encompass the special case of integrating the northern residents into the work forces in an acceptable manner.

Over the past 20 years the pipeline contractors and the trade unions have evolved through negotiation a workable arrangement for the carrying out of construction which has been formalized in the form of agreements which in most cases are adhered to by the interested parties. We feel, however, that the project proposed by Foothills has unique implications, being that special provisions are required to integrate the northern residents to ensure that they are provided with an opportunity to participate and derive the benefits from the opportunities for

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

employment that will be available on the project.

In order to achieve this participation, it is necessary in our opinion, to bring the interested parties together to negotiate a special project agreement in order to establish hiring procedures that will accommodate the northern residents.

Foothills would therefore propose that upon receiving the necessary approval, it would initiate this process through a request to the Canadian Pipeline Advisory Council (for matters pertaining to pipeline construction, for example), to meet with the representatives of the northern residents and negotiate a satisfactory project agreement that would encompass their participation in a manner satisfactory to all interested parties.

We feel this process would be in the best interests of all parties, and would fulfill the government guidelines most effectively. The proposed Manpower Delivery System would be a means of implementing the terms and conditions developed and set out in the project agreements.

Q Mr. Ellwood, does Foothills intend to provide an orientation program for its work force?

WITNESS ELLWOOD: Yes, we do.

Q Why is an orientation program necessary?

A Because in our opinion the majority of the work force will be working in an

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 environment unfamiliar to them and under regulations
3 that may be unique to this project, in our opinion it
4 will be necessary to provide appropriate orientation.

5 Q What is the proposed con-
6 tent of the company's overall orientation program?

7 A It is proposed that the
8 orientation program will include

- 9 (1) an explanation of camp rules and regulations
10 including conduct codes and equipment, building and
11 vehicle usage;
12 (2) an explanation of permit stipulations and other
13 applicable regulations;
14 (3) provision to the southern workers of some understand-
15 ing of northern cultures and lifestyles and to the nor-
16 thern worker some understanding of the working conditions
17 they will encounter;
18 (4) introduction to and explanation of the on-site
19 counselling services; and
20 (5) techniques of survival under Arctic conditions.

21 Q How will these orientation
22 programs be presented?

23 A We intend to use a series
24 of one or more presentations of a style which is informal
25 and easy to comprehend. Video aids will be used to the
26 greatest extent possible.

27 Q What segment of the work
28 force will receive the orientation program?

29 A All construction personnel
30 will receive orientation. However, it would be

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 impractical to assume that one orientation program
3 would suit the needs of all different parties involved.
4 Therefore, we envisage the formation of at least three
5 different types of programs, each aimed at a specific
6 target group. At present it is thought that these
7 groups would be:

- 8 (a) the southern work force;
9 (b) the norther work force; and
10 (c) the supervisory personnel employed by Foothills
11 and our contractors.

12 While the contents of each
13 of the programs would be similar, there will be a need
14 for a change of emphasis in specific areas in order
15 to meet the needs of the target group in question. The
16 most comprehensive orientation program will be reserved
17 for the supervisory personnel employed by Foothills
18 and the contractors.

19 Q Where and when will the
20 orientation programs be conducted?

21 A For southern supervisory
22 personnel, the program would probably be conducted in
23 the south prior to the actual start of construction.
24 Since contracts will be awarded at various times over the
25 construction period, this will be an ongoing activity.

26 For the northern work force,
27 preliminary orientation could be initiated in the home
28 community as part of the Northern Manpower Delivery
29 System and continue when the work force is at the job-
30 site.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 For the southern work force,
3 preliminary orientation could be conducted in the south
4 at the time of hire or on arrival at the construction
5 camp.

6 Q Who should assume
7 responsibility for these programs?

8 A We believe that if these
9 programs are to achieve maximum benefit, responsibility
10 for some aspects of the orientation should rest with the
11 governments, the native organizations, the contractors,
12 and the unions, in addition to Foothills' own staff.

13 Q How do you intend to con-
14 duct the orientation program for the operations and
15 maintenance personnel?

16 A We intend to follow a pro-
17 gram similar to that described by the witnesses who
18 appeared on the Nortran panel.

19
20
21
22
23
24
25
26
27
28
29

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 Q Mr. Deyell, for the operations
2 phase, has Foothills forecasted the number of positions
3 which could be filled by northerners?
4

5 WITNESS DEYELL: We have made
6 a forecast by job category of the number of personnel
7 which would be required to operate and maintain the
8 pipeline. Following that, we determined those positions
9 which must be filled by experienced personnel and those
10 positions which could be filled by trainees. This
11 forecast was made with the aid of experienced O & M
12 personnel from our two sponsoring companies.

13 In filling jobs, northerners
14 will be given priority and all trainee positions could
15 be filled by northerners.

16 Some of the positions requiring
17 pipeline experience, including supervisory categories,
18 will undoubtedly be filled by trainees currently in the
19 Nortran programme. It is highly probably too that such
20 positions as carpenters, automobile mechanics, plumbers,
21 electricians, pilots, secretaries, socio-economic
22 counsellors and housing administrators as examples,
23 which are classified as experienced, but do not require
24 skills special to a natural gas pipeline system, can
25 also be filled by northerners who possess the required
26 experience.

27 Table four in the appendix shows
28 in summary form, our present forecast of the number of
29 operating and maintenance positions which must be filled
30 by experienced personnel and those positions which could

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 be filled by trainees. Also shown are the number of
2 Nortran trainees currently with Alberta Gas Trunk Line
3 and the occupational categories in which they are
4 employed. In addition, under the Nortran programme,
5 approximately 13 Nortran trainees are receiving on the
6 job pipeline O & M training with TransCanada Pipe Lines.
7

8 This forecast shows that of the
9 258 permanent operational phase positions with the pipe-
10 line, 148 or 58 percent are classified as training positions.

11 Should Foothills receive the
12 necessary approvals to construct and operate its proposed
13 pipeline, we intend to provide the additional operational
14 phase training through an expanded Nortran programme. We
15 have been assured by our two sponsoring companies, West-
16 coast Transmission Company Limited and the Alberta Gas
17 Trunk Line Company Limited, that when we receive the
18 necessary approvals to construct and operate our proposed
19 pipeline, they will make the on the job training positions
20 we require available to us. We intend to place the
21 trainees with these two pipeline operating companies
22 until such time as our pipeline goes into operation. At
23 that time, on the job training will be transferred to the
24 north.

25 The Foothills' training programme
26 will be an on-going career development process directed
27 towards upgrading the skills of its personnel thus pro-
28 viding them with the opportunity to advance to positions
29 of increasing responsibility.

30 In time, it is expected that

1 northerners will be employed in positions of supervisory
2 and managerial responsibility.

3 During the construction period,
4 we intend to offer the operations and maintenance trainees
5 employment as inspectors, materials men, inventory
6 controllers, etc., in the construction management division
7 of the company.

8 As each particular construction
9 contract is completed, the trainees assigned to that
10 aspect of the construction programme would return to
11 the south to continue with their operations and maintenance
12 training. This practice will not only expose the trainees
13 to the facilities which they will eventually be operating
14 but will also enable them to realize the higher wages
15 which the construction phase offers. We believe this
16 approach will provide northerners with the incentive to
17 pursue the long-term employment opportunities associated
18 with the operations phase.

19 Q Mr. Deyell, the Nortran
20 panel of witnesses gave evidence on the evolution of the
21 Nortran training programme. What involvement have you
22 had with the northern training programme?

23 A I have been involved since
24 the summer of 1970 when the Alberta Gas Trunk Line first
25 conceived its northern training programme. I was directly
26 responsible for the planning, organization and development
27 of the programme from its inception until late November,
28 1970, when Art Giroux was hired to manage and further
29 develop it. During the period when the training programme
30 was totally within AGTL, as part of Gas Arctic Systems,

1 I continued to be responsible for its policy and overall
2 direction. Following the merger of the Gas Arctic Systems
3 and Northwest Pipeline Study Groups to form the Canadian
4 Arctic Gas Pipeline Study Group, responsibility for the
5 training was transferred to CAGPL and I became AGTL's
6 representative on the Steering Committee.
7

8 Later, I was involved in the
9 negotiations which resulted in the formation of Nortran.
10 I remained a member of the Nortran Steering Committee
11 until 1975 when John Burrell of Foothills and Charlie
12 McCall of AGTL became our members.

13 Although I'm not an active
14 member of the Steering Committee now, I still maintain
15 a high level of interest in the programme.
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

Q Mr. Deyell, why did AGTL form
the Northern Training Program?

A From the
commencement of our operations in Alberta in 1957,
we have steadfastly pursued a policy of local hire.
We believe, and this is proven by our operating evidence,
that residents of any area in which a pipeline company
operates provide the most stable work force.

In early 1970, A.G.T.L. conducted
community meetings in the villages along the Macken-
zie River from Fort Simpson to Inuvik. The residents of
the communities expressed a strong interest in working
on the construction and even more in the ultimate opera-
tion of our proposed pipeline. Our initial contacts
were made at that time because we knew that it would
take time to train natives of the north for jobs that
require tradesmen skills. As we were then preparing
to be in operation as early as 1975, we recognized the
urgency of the training task.

Q When A.G.T.L. left the
CAGPL consortium in 1974 to put forward an alternative
proposal, the Maple Leaf project, why didn't A.G.T.L.
also withdraw from the Northern Training Program?

A At the time of A.G.T.L.'s
withdrawal from the CAGPL consortium, consideration
was given to also withdrawing the A.G.T.L. training
group and carrying on alone. Since the training
program format in use was virtually unchanged from that
developed by A.G.T.L., it would not have been too
difficult for us to do this. However, we did not withdraw

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 primarily because of deep concern by the Steering
2 Committee and in particular that of Bud Hollands and
3 myself about the effect of such a split on the northern
4 trainees. Besides, while we did have a basic philoso-
5 phical disagreement with the CAGPL project, we had no
6 disagreement with the objectives of the Northern Train-
7 ing Program. As a result, the companies subsequently ag-
8 reed to make the training program independent of all
9 adversary parties. The program was called and still
10 is, the Northern Petroleum Industry Training Program,
11 or as it is better known, Nortran.

12 Q Are you satisfied with how
13 the Nortran program has worked to date?

14 A Yes, I am. It is gratify-
15 ing to me to see that in an area of common interest
16 two competing organizations can put their differences
17 aside and work together for the good of all.

18 Q You have been involved with
19 a northern training program now for over five years.
20 What is your assessment of the program?

21 A Although the epilogue to
22 the training program for northerners cannot yet be
23 written, the results to date are gratifying to all of
24 us who are involved. It is a good start and encourages
25 us to strive to make the program even better.

26 As of the end of June, 1976,
27 Alberta Gas Trunk had 24 permanent trainees. We also
28 arranged for 15 training positions last summer for
29 work on construction of our pipelines and compressor
30 stations and we are intending to do the same this year.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 Of the original 16 men that
2 started with us in January, 1971, seven are still with
3 us. Many of the others brought into the program since
4 that time have been with us over three years.

5 Among the more successful
6 trainees, one is a counsellor, one is a journeyman
7 welder with both an A and B ticket, three are journeymen
8 controls technicians, eight are qualified pipeline
9 operators, and one is a measurement technician. Most
10 of the qualified technicians and operators have
11 successfully taken courses both academic and vocational
12 to enable them to complete their training.

13 Q Mr. Deyell, from A.G.T. L.'s
14 standpoint, why do you believe you have been successful
15 with the Northern Training Program?

16 A It's difficult to quantify
17 the reasons, but I believe that the attitude of the
18 company from the president on down was very significant.
19 Our president, Mr. Blair, whole-heartedly and enthusias-
20 tically encouraged us in the planning and development
21 stage and adopted an attitude that the program must
22 work, and failure would be completely unacceptable.
23 This attitude was universally adopted and practiced
24 throughout the company.

25 Another important reason would
26 be our choice of the direct supervisor. Our travels
27 in the north and meetings with Territorial Government
28 personnel and natives led us to the conclusion that
29 the supervisor must be a northerner who understands
30 the north, its people and the environment. This person

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 would have to be friend, confidant, mother-hen and
3 overseer, as well as being supervisor. We found such
4 a person in Art Giroux, and he deserves considerable
5 credit for the success of the program.

6 Prior to implementation, we
7 discussed the program with our supervisors and regular
8 employees that would be closely associated with the
9 trainees and solicited and received their dedicated
10 support for it.

11 The trainees and their families
12 were made to feel at home and were accorded all the
13 same rights, privileges, etc., that our regular employees
14 had. On a personal note, I visited the initial group
15 of 16 at Rocky Mountain House and held bull sessions with
16 them in a very informal manner. My office in Calgary
17 was always open to them to visit with me without notice
18 and I was always available by telephone if they wished
19 to talk. It was all a part of trying to make them feel
20 wanted and accepted on the same basis as the southern-
21 ers.

22 The trainees were guaranteed
23 permanent jobs with the company. They were advised that
24 we would encourage them to return north to the pipeline
25 when constructed but would not insist on it. In other
26 words, they would be permanent employees of A.G.T.L.
27 as long as they wished to be, Apart from subsidized
28 vacation time and travel expenses, they were not
29 accorded special privileges over and above what regular
30 southern trainees were accorded.

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

1 O Mr. Deyell, you said ear-
2 lier that A.G.T.L. and Westcoast Transmission had assured
3 Foothills that they would make sufficient job training
4 positions available to enable Foothills to provide
5 pipeline on-the-job training to all its trainees prior
6 to the Foothills Pipe Line becoming operational. Would
7 you expand on this statement, please?
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30

11
12
13
14
15
16
17
18
19
20
21
22

23
24
25
26
27

28
29
30

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 difficulty adding trainees to each of these crews and
2 shops for a total of 12 to 15 mechanical trainee
3 positions.

4 Warehouse trainees could be
5 placed into the existing warehousing facilities in
6 Calgary and Edmonton as well as with materials men on
7 AGTL construction projects.

8 As for automobile mechanic,
9 welder and electrician positions, we already have
10 northern trainees involved in apprenticeship training.
11 How the new trainees would fit into the apprentice-
12 ship program would be difficult to say right now
13 without knowing the educational background and work
14 history of the candidates. To qualify for entrance to
15 these in most cases requires at least a grade ten
16 education plus industrial mathematics and science. As
17 has been the case with our present northern trainees
18 who have pursued an apprenticeship program, it may
19 prove necessary for the new candidates to first up-
20 grade their education. The decision to do so of course
21 lies with the candidate.

22 As for clerical and steno-
23 graphic staff, we would have no difficulty placing 16
24 trainees in our present AGTL operations.

25 Q Mr. Deyell, you said
26 earlier that AGTL presently had 26 Nortran training
27 positions. Is AGTL prepared to expand this number of
28 Nortran training positions prior to receipt by Foothills
29 of the permits necessary to construct and operate its
30 pipeline?

Burrell, Jensen, Ellwood
Deyell, MacLeod
 In Chief

A No. One of the features of this training program is that trainees, on being hired, are offered permanent employment with AGTL and are accorded all the rights and benefits of the other employees. Bearing in mind that we must also offer employment to Albertans, it would be difficult or impossible for us to increase the number of Nortran training positions without the knowledge that they would have permanent employment opportunities with the Foothills' pipeline system.

Q What training positions would Westcoast Transmission be making available to Foothills?

A In discussion with Westcoast management personnel, they have said Westcoast could provide on-the-job training for up to the following numbers of trainees within their pipeline operations and maintenance department.

| | |
|----------------------------|----|
| Pipeline maintenance men | 15 |
| Compressor maintenance men | 40 |
| Controls technicians | 6 |
| Mechanical technicians | 25 |
| Warehousemen | 5 |
| Apprenticeship trainees | 10 |
| Clerical and stenographer | 10 |

A comparison of the number of training positions available in Foothills with the training positions which AGTL and Westcoast are prepared to provide, shows that more than enough training positions would be made available in the existing operating

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief

1 companies to satisfy the Foothills requirements.

2 Q Do you believe these
3 trainees could be sufficiently trained between the time
4 permit issued and the time they are required for
5 operation of the Foothills' pipeline?

6 A Operators, maintenance
7 men, warehousemen, clerks and administrative staff
8 could be sufficiently trained in that time frame.
9 All tradesmen such as welders, mechanics, electricians,
10 etc. who have apprenticeship programs to complete that
11 range from three to four years obviously could not
12 unless they had some prior training that would reduce
13 the time required to get their journeyman tickets.
14 Controls, computer and measurement technicians do not
15 require journeyman tickets and their apprenticeship
16 time period is set by the company. Their program could
17 be condensed to fit the available time frame.

18 With respect to those trades
19 requiring journeyman tickets, it would be necessary
20 for Foothills to hire journeymen from the south on a
21 temporary basis until the natives had completed their
22 training.
23
24
25
26
27
28
29
30

1 Q Would you agree with the
2 statement that the long-term success of your northern
3 hiring and training programmes will depend on the develop-
4 ment of employment policies and procedures which are
5 acceptable to your northern employees?

6 A Yes, as a result of more
7 than 20 years of operating experience in Alberta and
8 British Columbia, both of our sponsor companies have
9 established methods whereby their employees play an
10 active role in determining the operating policies and
11 procedures of the company. I am confident that this
12 practice, combined with the fact that Foothills is a
13 regional company, will ensure that policies and pro-
14 cedures can be developed which are mutually acceptable
15 to the employees and the company management.

16 Q Would you describe the
17 method by which your company policies and procedures
18 are established in the area of employee, employer
19 relations?

20 A For now, Foothills has
21 adopted many of the policies and procedures of Westcoast
22 and Alberta Gas Trunk in this as well as other areas of
23 the company's operation. We have therefore, a very
24 substantial base from which to develop the policies and
25 procedures appropriate for our company. The policies of
26 our sponsor companies have evolved over the years and
27 they are continually being changed and improved as a
28 result of recommendations put forward by the Employee
29 Relations Councils, which are composed of elected
30 representatives of both salaried and hourly wage employees

1 and appointed representatives of management. The Councils
2 meet regularly to consider items which any member may
3 wish to place on the agenda.
4

5 These policies and procedures
6 govern the operation of the company with respect to
7 matters such as: hiring and terminating staff, salary
8 and benefits administration, hours of work, use of
9 intoxicants and treatment of alcoholism, vacations and
10 holidays, shift work, transfers, continued education,
11 and safety.

12 We consider the active involvement
13 of our employees in determining the operating policies
14 and procedures of the company to be a key element in
15 successfully hiring and retaining our staff and it is
16 our intention to use a similar approach here in the
17 Northwest Territories.

18 Q Mr. Burrell, would you
19 please outline the policies and objectives of Foothills
20 as they relate to the provision of opportunities for
21 northern business?

22 WITNESS BURRELL: We realized
23 that not all northerners will necessarily want to work
24 directly on the pipeline. There are many northerners
25 presently operating their own business, who will want to
26 continue working for themselves and there are others
27 who have the desire to operate their own business. We
28 realize too that northern business employs local residents
29 and as such, are in a position to provide long-term
30 benefits in the northern communities.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 We believe that there are
2 many opportunities which the pipeline project can offer
3 to the northern businessman. We also believe that the
4 extent to which northerners will get involved with
5 business opportunities which the pipeline offers will
6 depend not only on the desires of the people themselves,
7 but to a great degree on the policy positions taken by
8 the pipeline company itself.

9 A prime objectice of Foothills
10 is to maximize within practical limits the participation
11 of northern business in our project. Our overall policy
12 will be to encourage and support the development of
13 northern business enterprises and to maximize the Northern
14 Content of our project in much the same manner as we
15 are working towards maximizing the Canadian content of
16 the overall Maple Leaf Project. In order to carry out
17 this policy, we will purchase goods and services from
18 resident northern companies whenever it is practical to
19 do so.

20 Q What do you see as
21 Foothills' prime role in entrepreneurial development?

22 A We see our prime role
23 as being the formation and implementation of policies to
24 encourage entrepreneurship where northern people desire
25 it.

26 Q With respect to the
27 encouragement and involvement of northern businessmen
28 in your project, what policy positions has Foothills
29 established?

30 A From our discussions with

Burrell, Jensen, Ellwood,
Deyell, MacLeod
In Chief

1 northern businessmen, it became evident that in some
2 instances they are at a competitive disadvantage to southern
3 based firms. Many of our policies are directed towards
4 elimination of such disadvantages.

5 One, whenever practical, con-
6 tracts will be made available in proportions which will
7 be manageable by small local firms.

8 Two, whenever possible, a greater
9 than normal lead time with regards to bidding on contracts
10 will be provided the northern businessman.

11 Three, We would be prepared
12 to participate with other interested bodies in the
13 development of a satisfactory and organized tendering
14 system.

15 Four, we believe that the
16 most effective means of involving northern business
17 will be through the utilization of predetermined bidders
18 listings and procedures which give northern businessmen
19 a fair chance at winning the contracts they are capable
20 of handling.

21 In addition, Foothills will have
22 its operations headquarters in Yellowknife where close
23 contact can be maintained with northern companies and
24 organizations. Also, there will be district operating
25 headquarters in Inuvik, Norman Wells and Fort Simpson
26 which will provide local contact for the purchase of
27 goods and services. Contractors and sub-contractors on
28 our project will also be required to purchase from local
29 northern businesses whenever practical and where there
30 will be no adverse effects on community supplies or services.

Burrell, Jensen, Ellwood.
Deyell, MacLeod
In Chief

1
2 Q What is Foothills'
3 approach to encouraging entrepreneurship for local
4 northern business?

5 A When entrepreneurial
6 opportunities will be available -- while entrepreneurial
7 opportunities will be available during the construction
8 phase, we believe it is most prudent to look at the
9 operational phase as providing the best opportunities for
10 long-term benefits. We will encourage the pursuit of
11 this approach but we don't intend to be rigid and we will
12 adjust to suit changing needs and situations. Certain
13 northerners, individually or in groups, may wish to pursue
14 an entrepreneurial role during the construction phase
15 and there will be opportunities for them to do so.
16 Foothills will certainly co-operate to make this possible.
17 However, caution will need to be exercised so as not to
18 stimulate the formation of a new business which could
19 not be sustained following completion of the pipeline
20 construction phase with resultant hardship on the
21 northern business and the community.

22 Q What specific opportunities
23 for small northern business will there be during the
24 pipeline construction phase?

25
26
27
28
29
30

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

1 A The list is extensive and
2 includes clearing of the right-of-way, revegetation of
3 the right-of-way, concrete weight manufacturing,
4 supplying lumber and piling, trucking, supplying
5 gravel, expediting, warehousing, construction of houses
6 and office buildings, supply of automotive parts, grocer-
7 ies, bulk fuel and many more. However, as can be seen,
8 many of these local business opportunities are of
9 short duration.

10 Q How does Foothills intend
11 to make northerners aware of the business opportunities
12 which its project will offer?

13 A We intend to identify
14 the business opportunities which are potentially
15 available to the northern businessman in light of
16 their capabilities and desires. We expect that in doing
17 so, the Mackenzie Pipeline Business Opportunities
18 Board will play an important role. Following the
19 identification of such opportunities, a basic description
20 of each will be developed, including nature of the
21 work, income potential, the basic skill requirements.
22 This information will be presented to the Mackenzie
23 communities directly and through the Mackenzie Pipeline
24 Business Opportunities Board.

25 Q Has Foothills commenced
26 the preparation of a northern bidders' list?

27 A Yes, we are presently in
28 the process of compiling lists of northern suppliers
29 and contractors which would be utilized by our
30 Purchasing Department.

Burrell, Jensen, Ellwood
MacLeod, Deyell
In Chief

1
2 Q What sources of information
3 are being used to compile such a list?

4 A A variety of sources are
5 being utilized, including:

6 (1) The Inventory of Northern Businesses prepared by
7 the Northwest Territories Chamber of Commerce as part
8 of their presentation to this Inquiry;

9 (2) The Business Directory, published by the Research
10 Institute of Northern Canada and for which Foothills
11 provided funding;

12 (3) Discussions with local businessmen. Foothills
13 maintains a resident staff in the Northwest Territories
14 and several members of the Foothills' management team
15 have made numerous trips to the Territories and have
16 made efforts to talk to local businessmen at every
17 opportunity;

18 (4) Participation in meetings held by an Advisory
19 Committee on Economic Development in the Northwest
20 Territories. This committee was formed on the initiative
21 of the Northwest Territories Government and has on it
22 representation from various businesses and other
23 organizations located in the Northwest Territories.

24 (5) The Mackenzie Pipeline Business Opportunities Board
25 of which Foothills is the originating sponsoring company.

26 Q Why did Foothills elect
27 to sponsor the Mackenzie Pipeline Business Opportunities
28 Board?

29 A We felt if we were going to
30 maximize the participation of northern business in our

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 project, we needed to be well aware of the business
3 capabilities which exist in the north, what difficulties
4 the northern businessman is encountering in attempting
5 to obtain work, what concerns he has, and how from a
6 northern standpoint the procurement procedures of our
7 project could be structured so that the local businessman
8 is in the best position to take advantage of the oppor-
9 tunities which will be available. What better way to
10 get input on this than from the people who have operated
11 a business in the north and have experienced the
12 difficulties in getting it established and then having
13 to maintain it? For these reasons we elected to sponsor
14 the Mackenzie Pipeline Business Opportunities Board.
15 We consider this sponsorship an important step forward
16 and consistent with an early approach by The Alberta
17 Gas Trunk Line Company Limited when in 1970 it created
18 an on-the-job training program in order to provide
19 pipeline employment opportunities for northerners.
20 This program of course, has since evolved into Nortran.

21 Q Will you please describe
22 the Mackenzie Pipeline Business Opportunities Board?

23 A Although Foothills
24 sponsors the Mackenzie Pipeline Business Opportunities
25 Board, it does function as an autonomous organization
26 operating independently of its sponsoring companies and
27 it would be improper for me to speak of its specific
28 activities. I can, however, outline the purpose,
29 objectives and organization of the Board. This infor-
30 mation is taken from a document which the Board
prepared. If there were any questions on specifics

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

pertaining to the Board's activities, these would more appropriately be answered by the Board itself, probably through its chairman, Mr. Dick Hill of Inuvik.

The purpose of the Board is to assist the positive involvement of northern residents in the business opportunities created by the proposed Mackenzie Valley Pipeline system and associated activities. Its objectives are:

(1) to ensure that resident northern businessmen have the opportunity to participate in and benefit from the construction and operation of the proposed Mackenzie Valley Pipeline;

(2) to provide present and potential northern business with an understanding of pipeline associated business opportunities;

(3) to promote an awareness of pipeline business opportunities amongst the northern public, special interest groups, government and industry; and

(4) to provide an interface for two-way communication between resident northern businessmen and the pipeline companies, including their construction contractors and sub-contractors.

Foothills has requested the Board to advise it on those policies and procedures which we should undertake in order to maximize northern business involvement in our project.

The Board will be composed of up to seven long-term northern residents with wide experience in business. The Board members are familiar with Mackenzie Valley Pipeline opportunities and are

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1 representative of the Mackenzie communities.

2 The operations of the Board
3 are handled through a secretariat with specialist
4 staff contracted for research and evaluation, as
5 required. The Board meets regularly at various
6 locations in the Mackenzie Valley to set policy and
7 to commission activities in the areas of consultation,
8 co-ordination, communication, and training.

9 It will have contact with
10 active and potential businessmen and business groups
11 in the Mackenzie Valley to ascertain their interests
12 and provide advice on request.

13 There will be continuing
14 contact with government and industry as well as any
15 other group interested in Mackenzie Valley resident
16 business development to facilitate co-operation with
17 existing programs.

18 The Board will prepare studies
19 and reports relating to business opportunities and
20 regional economic development with all publications
21 being available on request to interested parties.

22 It will provide information
23 and conduct seminars as well as experience trips to
24 assist northern businessmen.

25 Q Will a strong northern
26 business community be advantageous to the north?

27 A Yes, a strong northern
28 business community will be very advantageous to the
29 north and for many reasons. It will create additional
30 job opportunities for local people and many northerners

Burrell, Jensen, Ellwood,
MacLeod, Deyell
In Chief

1
2 who otherwise would not seek employment may elect to
3 take such jobs. The optimum utilization of resident
4 business and labor force requires that fewer workers
5 and companies be brought in from the south resulting
6 in less social and economic disruption in the region.
7 Wages and profits by northern businessmen should stay
8 in the north for long-term community growth and benefit.
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood
Deyell, MacLeod
In Chief
Cross-Exam by MacQuarrie
It will also be advantageous

to us to deal with local firms who understand local conditions and have^a practical knowledge on how to deal with northern climate, logistics, etc.

In addition, there is always a concern about the ability of small business to perform. A strong business community alleviates some of this concern. We think the Business Opportunities Board can play an important role towards establishing such a northern business community.

MR. HOLLINGWORTH: Mr. Commissioner, that completes the evidence in chief of this panel. I point out that Miss Jensen has no evidence in chief for this panel. She is on the panel as requested by other counsel from the last time when panel one appeared.

THE COMMISSIONER: Right.
Well, lets adjourn for coffee before cross-examination.

(PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: I think I should say at the outset that I have no questions. Next?

MR. GOUDGE: Mr. Steeves?

MR. STEEVES: I'm trying to think up a question. I have no questions.

MR. GOUDGE: Mrs. MacQuarrie?

CROSS-EXAMINATION BY MRS. MacQUARRIE:

Q I have some questions left over from the last time Miss Jensen was here.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Mrs. MacQuarrie

THE COMMISSIONER: Oh, right.

Of course.

MRS. MacQUARRIE: I haven't forgotten.

Q Miss Jensen, on page 20 of your evidence you mention adequate medical facilities. Could you tell me what criteria you used to ascertain what would be composed of adequate medical facilities in the north?

A It was to maintain the present level of service.

Q That was it? What is the present level of services?

A The regional hospital facilities, the nursing stations and the medevacs.

Q I'm sorry, I didn't hear you.

A The medical evacuations that occur that go down south.

Q I see. You mentioned that the facilities at Norman Wells would be adequate to take care of the industrial accidents that might occur during the development.

A This was assuming of course that most of the construction accidents would be treated on site by the para-medical professionals in the fields.

Q Yes. Right. What are the medical services available at Norman Wells currently?

A There is a nursing station

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Mrs. MacQuarrie

1 there with two nurses. Then there are the regular
2 physician services which are provided by the Inuvik
3 General Hospital on a monthly basis.
4

5 Q But there is no resident
6 medical doctor?

7 A There is no resident
8 doctor.

9 Q How about the number of
10 beds in the nursing station ?

11 A I can't remember that
12 figure offhand.

13 Q Well it seems to me
14 there are four beds in the nursing station , two
15 nurses -- one a midwife, one a public health nurse
16 and no medical doctor resident. Did you visit these
17 various nursing stations or hospitals to determine
18 what is actually there, what would be necessary in the
19 event of an industrial accident?

20 A I have been in the
21 Norman Wells nursing station but not in relation to
22 specifically to see what was -- I was there to see
23 what was there a long time ago but not within the last
24 year.

25 Q I see. So you really
26 couldn't be sure that what is in existence there could
27 possibly deal with any injuries that occur along the
28 pipeline then?

29 A Well our assumption is
30 that any medical evacuation that has to take place into
Inuvik hospital, if they are in that end of the con-
struction.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Mrs. MacQuarrie

1 project and into the southern hospitals if they were
2 in the southern region.

3 Q Did you determine the
4 contractor involved in evacuation?

5 A There will be transporta-
6 tion available at the site.

7 Q And how much time involved
8 for the flight between the camp and the nearest proper
9 hospital?

10 A That is very much
11 dependent on the transportation that is available.

12 Q Well, this is what I
13 wanted to know. What kinds of transportation you have.

14 WITNESS ELLWOOD: Perhaps
15 I could help Mrs. MacQuarrie. We have helicopters to
16 be stationed at all of the compressor station or
17 construction camp locations. There is also a good
18 number of them -- there will be fixed wing service
19 operating out of a lake or some other suitable
20 winter airstrip. I can't recall now where we are most
21 likely to have only a helicopter service which is the
22 difficulty I am having in answering your question.
23 I am trying to figure out how long it would take us
24 to get from there to either Inuvik or to some southern
25 center.

26 There is also a medical
27 evacuation or an air ambulance service that we have
28 spoken with in Calgary. They have a small -- or have
29 under lease as required, a small jet aircraft which they
30

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Mrs. MacQuarrie

1 use for medical evacuations out of the high Arctic.
2 A similar arrangement could be put into service here
3 whereby they perhaps take the injured workman into
4 Norman Wells and from there on jet to Edmonton or
5 whatever the case is.
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by MacQuarrie

1
2 Q So the helicopters that
3 will
4 you have based at these camps-sites are totally equipped
5 for medical type evacuation, with oxygen, suction, all
6 that kind of thing -- sort of an air ambulance service
7 then.

8 A I'm not certain of all of
9 the requirements. This was a question that Mr. Scott
10 left with me last time and we are working on that
11 now, but I don't have all the answers at the moment.

12 Q I see. Have you met with
13 the Federal Government or the health people in the
14 Territories to determine what your needs will be with
15 the increased number of workers you will be having, and
16 to secure their co-operation?

17 A We did meet with -- Miss
18 Jensen here did meet with Mr. McDermid and passed
19 onto him our construction plan, and all the data that
20 we had to see what his reaction to that would be, and he
21 didn't indicate to us then that there was any particular
22 problem that he could see, and that we should get back
23 together to discuss this in more detail closer to the
24 actual time of construction.

25 Q Miss Jensen, on page
26 20 of your evidence, you omitted the statistics which
27 refer to the incidence of venereal disease in the
28 Territories, and also the injury and accident rate.
29 Could you -- was there any particular reason for your
30 omission of these two specific figures?

WITNESS JENSEN: The accident

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by MacQuarrie

1 figures, the projected accident rates were in the
2 appendix.

3 Q And how did --

4 A The venereal disease I
5 didn't submit them because they weren't relevant to
6 the evidence that I was giving at that time.

7 Q Do you suppose they
8 aren't relevant at all then?

9 A Well, certainly they're
10 relevant.

11 Q I would hope so, since
12 we have twice the national average.

13 Also too, Miss Jensen, you
14 mentioned that much of the problem of providing
15 proper medical or social services in the Territories
16 could be remedied by the hiring of additional staff.
17 The hiring of extra staff increases the need for
18 services right across the board, as far as housing or
19 maintenance services are concerned. Is Foothills
20 planning to share in the cost of the provision of
21 extra services for the staff required to service your
22 employees?

23 WITNESS ELLWOOD: No, we're
24 not, Mrs. MacQuarrie.

25 Q You mentioned, Mr. Ellwood,
26 that you have met with Mr. McDermid of Territorial Health
27 Insurance Services. Have you met with the Federal
28 Government since the Federal Government is currently
29 responsible for the provision of medical services in the
30 Territories?

Burrell, Jensen, Ellwood,
MacLeod, Deyell.
Cross-Exam by MacQuarrie

1 A No, we haven't. We
2 haven't met with anybody, but as I recall now, a meeting
3 was arranged with Mr. McDermid by Miss Jensen on the
4 advice of somebody in Edmonton in the Federal Health
5 Services, who referred us first to Mr. McDermid. So
6 that's where we've taken it thus far.

7 Q O.K. Is there any --
8 will there be any opportunity for us to secure the
9 information from you once you get it from National
10 Health & Welfare, or Mr. McDermid?

11 A Secure --

12 Q What I'm interested and
13 concerned with is the level of medical services that
14 will be available to construction workers and also to
15 people, local residents of the Territories, and if they
16 aren't at a proper level now, with an influx of
17 population they certainly won't be any better then un-
18 less there is a definite plan to provide them; and this
19 is the kind of information I wondered if we would be
20 able to have?

21 A Well, with respect to the
22 medical and First Aid facilities to be provided in our
23 camps, certainly we will have that as soon as I can
24 get the information together and get it filed with the
25 Inquiry.

26 Q M-hm, and how about the
27 results of your meetings with the Federal Government
28 and the Territorial Governm ent?

29 A I don't anticipate that
30 that will be for some time yet.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by MacQuarrie

1 Q O.K. One other question
2 in regard to that. Will your workers be aware of the
3 level of medical services available before they come to
4 the Territories?
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross- Exam by MacQuarrie

1 WITNESS JENSEN: Are you
2 referring here to construction or operations and main-
3 tenance?

4 Q Construction and operation
5 and maintenance.

6 WITNESS ELLWOOD: They'll be,
7 I don't want to say I'm familiar with all of the specifics
8 of these facilities provided in the camps, but in general
9 they know what to expect because one camp situation is
10 very much like another. So, in general, the workers
11 all know, because they've all worked on construction
12 before, what to expect when they arrive here, but with
13 respect to where the hospitals and nursing stations are
14 in the north, no I don't anticipate that many of them
15 will know that.

16 Q But your company will
17 assure them that they will have adequate services when
18 they need it, is that so?

19 A Yes, definitely we intend
20 to provide an adequate level of protection for employees.

21 Q Okay. Just a final
22 question, Ms. Jensen. On page 70 you refer to competent
23 medical authorities have advised you etc., who were
24 these competent authorities?

25 WITNESS JENSEN: Primarily,
26 Mr. Carrier the Zone Director in Inuvik and Mr. McDermid.

27 Q I see.

28 With regard to the evidence
29 that was presented today, Mr. Ellwood, it seems to me
30 in previous testimony Foothills didn't have a specific

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by MacQuarrie

1 training programme for counsellors and this somewhat
2 conflicts with a statement on page 65 today, where Mr.
3 Deyell states that among the more successfull trainees,
4 one is a counsellor.
5

6 WITNESS ELLWOOD: That's Rick
7 Behn?

8 WITNESS DEYELL: Well, I'll
9 try to answer that for you Mrs. MacQuarrie, the type
10 of counsellor that we're referring to here, I believe
11 you know the gentleman, we're talking about Rick Behn.
12 He is not a trained counsellor, I would think that
13 you're referring to. I think you're probably referring
14 to somebody who has had extensive training in -- let's
15 perhaps say, mental health and that type of thing. Is
16 that what you're referring to?

17 Q Well, just generally
18 counselling and the outline that you had provided
19 previously, yes.

20 A And the kind of counsellor
21 we're talking about is the type of person who understands
22 his fellow man and that's really just -- it's a practical
23 type of counsellor, as Behn is. He's not trained
24 specially in that particular role.

25 Q But did he receive
26 special training as part of the Nortran programme?

27 A He hasn't had any
28 special training in that particular regard as yet.

29 Q Well, his training then,
30 under the Nortran programme, what did it -- how did it

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by MacQuarrie

1 prepare him to become a counsellor?

2 A Well, as far as I could
3 ascertain, he just happens to be one of those people who
4 has a gift for dealing with his fellow man and the
5 problems that they have, but he has had no special training.

6 Q I find that a little
7 confusing if he emerged from your Nortran programme
8 as an excellent counsellor. I'm sorry, it's my own
9 confusion perhaps, but could you clarify that?

10 A Well, we have never had
11 any occasion with any of our employees to give them
12 any psychological or psychiatric treatment. If we have
13 a need for this, they are directed to those people who
14 have the training that are outside of our normal training
15 facilities, and I think if this is required for Nortran
16 employees, it would be done in the same way.

17 Q But then, you haven't
18 answered my question, how could he emerge from a Nortran
19 training programme as an excellent counsellor?

20 A Well, I guess it's in a
21 description of what kind of a counsellor we're talking
22 about. Behn will be able to counsel his fellow man in
23 job problems related to the kind of work they're doing
24 and that is really the only counselling he gives.

25 Q Yes, but -- fine. In
26 the Nortran training programme, did he receive courses
27 in that particular area then?

28 A No, he hasn't had them.

29 Q Or he came in with that
30 already as --

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by MacQuarrie

1
2 A No, he has not had
3 special courses in that regard.

4 Q Thank you.

5 On page 51 of today's evidence,
6 I wondered if you had reached an agreement with Canada
7 Manpower to provide information and counselling as
8 outlined on that page?

9 WITNESS BURRELL: You're saying,
10 have we reached agreement with Canadian Department of
11 Manpower with respect to establishing a Northern
12 Manpower Delivery System?

13 Q Yes.

14 A Are you saying that?

15 Q Also -- yes, and the
16 second part of that then would be, if not, who will
17 provide this delivery system.

18 A Oh, I see what you mean.
19 Well, as far as the -- as far as the Northern Manpower
20 Delivery System is concerned, we've -- this is our
21 idea but of course we've -- our outline of how we see
22 it, but it's been developed in a conversation with the
23 Department of Manpower, DIAND, representatives of the
24 Northwest Territories Government, Nortran people and it's
25 an on-going thing and certainly as we were developing
26 this, as I said, we had talks with Canada Manpower and
27 what we were developing at the time they were in agree-
28 ment that the system, as we're outlining, was reasonable
29 and a good way to go.

30 Now, as far as an agreement

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by MacQuarrie

1 as to who would take the
2 responsibility for doing certain parts of the manpower
3 system or the overall -- no, we have not got an agreement
4 as yet, with anyone on that.

5 Q So this is all just
6 tentative then?

7 A As I said, it's a possible
8 manpower delivery system that is to demonstrate how northern
9 people could get involved from the community into
10 construction phase activities.
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by MacQuarrie

1
2 Q This all is tentative, but
3 no further decisions have been made as to who will in
4 fact carry it out.

5 A No.

6 Q I think I mentioned this
7 concern before, that with the collective agreements
8 already signed, it doesn't appear that the resident
9 northerner will have much of an opportunity to procure
10 work with the -- on the operational or even the
11 maintenance phase of the pipeline without becoming a
12 member of the union, and with the initiation fee very
13 high, how can -- have you -- can you tell me how
14 northern people will be able to secure proper employment?

15 WITNESS DEYELL: Mrs. MacQuarrie,
16 operations and maintenance and construction, in all
17 of the major gas transmission companies that I am aware
18 of in Canada, are non-unionized for their operations
19 and maintenance. Our company and Westcoast Transmission
20 are in that particular category so there isn't a problem
21 with respect to operations and maintenance.

22 Q Let's talk about con-
23 struction then.

24 A Well, I will perhaps
25 give you a bit of that answer, but I am not party to
26 the negotiations or anything that's taken place with
27 respect to Foothills; but I don't believe that any
28 agreements have been signed with respect to constructing
29 a pipeline in the north as yet. I believe that the
30 collective agreements that were referred to are ones

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by MacQuarrie

1 that are in existence at the present time for construction
2 in Canada per se, but I don't believe that they have
3 actually dealt with a northern pipeline as such.

4 Q If the Northwest Terri-
5 tories rates are listed in this pipeline agreement,
6 then would this not also include the construction in
7 the Mackenzie Valley?

8 A I rather doubt that,
9 Mrs. MacQuarrie. This would be a pipeline of such a
10 magnitude that a special agreement will have to be
11 entered into. I would say that what they expect to have
12 in those agreements that presently exist are for small
13 portions of pipeline that have already been constructed.
14 I believe there's been one small one in the Pointed
15 Mountain area, but certainly for a project of this
16 magnitude it would have to be a special agreement.

17 Q Yes?

18 THE COMMISSIONER: I think
19 that's right, there would have to be a special agree-
20 ment, and the Inquiry -- Mr. Goudge is, I understand,
21 going to call pipeline contractors as witnesses and
22 the representatives of the unions. I think that's
23 early in September, and I think we'll perhaps learn
24 more from them than we will from this panel simply
25 because they are the people that really I think we
26 should take the matter up with.

27 But if you, Mr. Deyell, have
28 anything else to add, don't hesitate to do so.

29 A No, I don't, sir, I don't
30 think there's anything more useful to add to that.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Bayly

1 MRS. MacQUARRIE: Thank you
2 very much. I'll wait for the union people then.

3 MR. GOUDGE: Mr. Bayly?

4
5 CROSS-EXAMINATION BY MR. BAYLY:

6 Q Just to follow up on what
7 Mrs. MacQuarrie has just left off with, that is the
8 consultation that you have had with unions such as
9 it may be at this stage. You talk in your evidence --
10 and I believe this is in the evidence of Mr. Burrell --
11 you talk about construction job training. Will this
12 training as you envisage it, be conducted by the unions
13 or by the company?

14 WITNESS BURRELL: That possi-
15 bility exists. Of course you realize that the unions --

16 Q Tell me first which
17 possibility, because I gave you two.

18 A Well, the one, the
19 possibility that the unions and the pipeline contractors
20 could conduct the special training. That possibility
21 exists. Mr. Kosten in his written evidence here has
22 indicated that the union and pipeline contractors have
23 gone together and conducted this special training in
24 the past and that I would think that that possibility
25 would continue through this project is there.

26 Q To your knowledge, is
27 that something that has been discussed at this stage with
28 the unions with regard to this particular pipeline?

29 A No, that detail hasn't
30 been discussed, no.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Bayly

1 Q Has it been discussed
2 either in the company itself or with the unions, whether
3 the construction job training would or would not lead
4 to union certification?

5 A Would you mind repeating
6 that question, please?

7 Q Has it been discussed
8 within Foothills to begin with, whether it's one of the
9 objectives of the company that the construction job
10 training should lead to union certification for those
11 workers participating in the northern construction
12 training programs?

13 A Well, as far as the
14 union involvement is concerned, it does say in Mr.
15 Kosten's evidence that the big inch pipe is done by
16 union contractors, and therefore people that are hired
17 to work on that phase of the pipeline would have to be
18 unionized. Now, as far as the training is concerned,
19 we in Foothills and the people in the unions and the
20 pipeline contractors recognize there has been some --
21 there is some training required, whether it be special
22 training, as I referred to in here, or on-the -job
23 training, it can be either one of those or both
24 but I think you have to realize that this is part of
25 the development of the project agreement and we really
26 can't proceed with the development of the project
27 agreement until of course a permit is issued, and we
28 know under what ground rules the project will go
29 forward.
30

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

Q All right, I am concerned with your own objectives because you talk about job training as an objective. In this part of the country as you are probably aware, people get certificates that say they are qualified to do certain things that unions won't recognize. They'll got to training schools in places like Fort Smith and some unions won't recognize that they are cat operators even though they have that certificate.

A Well, in this manpower delivery system, we referred to the screening process whereby the experience of the people would be reviewed by the Screening Board. From there, it would be decided as to what craft they would go into. So certainly their experience would be evaluated at that time and they would be assigned to an area which would meet their qualifications. So, yes, their experience in the north here would be a factor certainly.

Q I understand that but what I am trying to get from you is whether the company has a policy which is or is not to lead the northern employee to the point where he can be certified for union jobs or whether he will always be a special employee.

A Well, the object of the game is to -- I am sorry -- the object here is really to provide the employees with the training to enable them to advance to a more responsible position. When you start off with the training, that's the initial phase. As they advance, they move into more responsible

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 positions and as they meet the requirements of an
2 operator's job for instance, then they become fully
3 qualified journeymen.

4 Q So the objective is to
5 allow them to train in such a way that they will be
6 led towards recognition as tradesmen by the various
7 unions.

8 A Certainly. As we
9 say in the evidence here the purpose of the program
10 is to provide the northern people with the opportunity
11 to advance to levels of higher skill and into areas
12 with supervisory responsibility.

13 Q The only thing you have
14 to get to put that policy into effect is the agreement
15 of the unions?

16 A Well, in the construction
17 phase, there is a number of parties involved of course
18 and the means by which this will be accomplished has
19 to be agreed to by these parties and it's part of the
20 project agreement. As far as the O & M phase which
21 we believe is the more important because it does
22 provide the long term employment opportunities that the
23 pipeline will offer, we already have in place the
24 Nortran program and it is directed toward that very
25 thing; to provide the training to allow northerners
26 to move into positions of higher responsibilities and
27 greater skills.

28 Q Yes. But you do require
29 the cooperation of the union in reaching this objective?

30 A In the construction

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 phase, certainly. All the parties are involved.

2 Q Now on page nine of the
3 direct evidence and I believe this is Mr. MacLeod's
4 evidence, there is a statement that five to 800
5 people were available for employment at the end of 1974.
6 With other witnesses, we have been interested in where
7 that figure comes from. How are people classified as
8 available for employment. Can you tell me where that
9 figure came from?

10 WITNESS MacLEOD: Well that
11 figure came from Hire North.

12 THE COMMISSIONER: Hire North,
13 that's Nortran. That's what you told us isn't it?

14 A Yes. Yes. I was told
15 by Hire North that at any given time, they could count
16 on having 500 people at their disposal. In the course
17 of a year, they would have 800 people. So in terms of
18 man-years it would be 500. I have added the Nortran
19 trainees to that.

20 MR. BAYLY: You have added the
21 Nortran figures to that?

22 A Yes. I would say that
23 these people would be available for pipeline work
24 because I don't think Hire North activities would be
25 pursued vigorously at the same time as pipeline
26 construction.

27 Q Right. If they were,
28 you would have to cut that figure.

29 A Yes.

30 Q These are the people that

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 are available for the kind of jobs you think you would
2 be able to supply?

3 A Yes.

4 Q Now, on page ten, following
5 up on that, you talk about increased participation
6 rates will occur due to increased exposure to wage
7 employment and wage employment opportunities. Now we
8 have heard evidence in Inuvik from Dr. Hobart which
9 seems to be in contradiction to this. He cites the
10 Gulf Coppermine experiment as being at least partly
11 motivated by the fact that they didn't want to use
12 delta employees who had been exposed to a great deal
13 of employment and were not as responsive as they would
14 like them. So they went to an area where they have
15 not been exposed. Have you read his evidence?

16 A Well, I have seen most
17 of it.

18 Q All right.

19 MR. HOLLINGWORTH: Can you
20 give us a page to that particular reference Mr. Bayly?

21 MR. BAYLY: No I can't
22 right now. The witness has said that he has read the
23 evidence. Perhaps we can ask if he recalls that?

24 A No, I don't recall that
25 section.

26 Q All right. So where does
27 your information that increased participation rates
28 will occur due to increased exposure to wage employment
29 and employment opportunities?

30 A Well I have made similar

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 requests for data from the Terrace group in the
2 Territorial Government. Even though the quality of
3 this data is quite shakey, there are indications that
4 there is a greater level of participation now than there
5 was five years ago at the time the original manpower
6 survey was conducted.

7 Q Now, when you --

8 A It is also my understanding
9 that Gulf went to Coppermine because the people there
10 seemed to be more stable and generally a higher
11 proportion are married and therefore more stable than
12 people in the delta -- Inuvik in particular.

13 Q All right, so you would
14 be looking for stable people, not just people who are
15 exposed to more jobs?

16 A I would expect stable
17 people to be interested in longer duration employment.

18 Q All right. Would you
19 therefore be looking outside the delta and Mackenzie
20 Valley for these employees? I expect you may be for
21 operations and maintenance because those are longer
22 term jobs.

23 A I don't believe the
24 applicant recognizes any responsibility toward people
25 outside the corridor area but those people would be
26 welcome.

27 Q You are not just there
28 though to serve the needs of the people of the valley.
29 You want to find stable employees, I suggest to you.

30 A Yes.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 Q If you can't recruit
2 them from the valley you have to go elsewhere I
3 take it?

4 A Yes. But the closer they
5 live to the operations, the better it would be.

6 Q If you couldn't find them
7 in the valley, would you be looking for them in other
8 northern communities or would you start to look for them
9 in southern Canada?

10 A I think it would be
11 possible to look for them in other northern communities.

12 Q Now, on page 22, in the
13 answer to question 36, you say that:

14 "Established northerners who were previously
15 unemployed and who obtained pipeline related
16 employment would be involved in both phases."
17 How would you propose to establish whether northerners
18 were previously unemployed? Would they be ones who
19 were unemployed in the wage economy previously?

20 A Yes.

21 Q So they might involve
22 people who employed by themselves in other activities
23 -- subsistence activities for example?

24 A Well in that part of the
25 answer or what I am interested in is the incremental
26 change so ^{it} covers also people who are -- might have
27 been underemployed.

28 Q It covers both categories.

29 A Both categories.

30 Q I assume it covers a third

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 category, those people who because of their age or
2 because they were in school were not in the market.

3 A That's right.

4 Q Now, on page 26, you
5 make a reference to the gas plant positions as being
6 most prestigious and most desirable. Now, have you
7 conducted surveys in the Mackenzie Valley and Delta
8 to see whether in the perceptions of the people there
9 these jobs that you refer to are the most prestigious
10 and the most desirable?

11 A No, I haven't.

12 Q Where does that judgment
13 come from?

14 A A study on employment
15 preferences was conducted a couple of years ago by
16 DIAND. I can't recall if he made specific references
17 to pipeline jobs, but there were jobs of similar
18 categories.

19 Q All right. What were
20 those jobs of the similar category?

21 A In general, as I recall,
22 these were higher skill positions.

23 Q Say that again.

24 A They were higher skill
25 positions.

26 Q Higher single --

27 A Higher skill.

28 Q Higher skilled positions.

29 So whether they can be transposed to the gas plant
30 positions is something that you are making your own

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 judgment on.

2 A Yes. But what I concluded
3 from that study that I did look at is that heavy equipment
4 operation was considered more desirable than general
5 labor work which didn't require any skills. Other
6 positions requiring more skill than heavy equipment
7 operator would be even more lucrative, more attractive.

8 Q Did this survey value the
9 outdoor as opposed to the indoor occupations as being
10 more or less valuable?

11 A I do not recall that.

12 Q Do you think that would
13 be a factor among northern native peoples in particular?

14 A Whatever the ethnic origin,
15 I think indoor employment might be more preferable when
16 winter weather is at its worst than something seasonal.

17 Q Have you checked that
18 yourself with any kind of survey?

19 A No official survey, just
20 observation.

21 Q All right. Have you asked
22 the consultants that are on the panel for their opinions
23 on that before writing this evidence?

24 A That has been discussed.
25 Yes.

26 Q Do any of the other panel
27 members care to comment on why they think that these
28 will be most prestigious and desirable jobs?

29 WITNESS JENSEN: Well, in
30 referring to our own observations and again to the Smith

Burrell, Jensen, Ellwood
Deyell MacLeod
Cross-Exam by Bayly

1 study, it was very obvious that --

2 Q Miss Jensen, could you
3 bring that microphone just a bit closer?

4 A One of the interesting
5 things of that study was that northerners showed little
6 preference for the categorically designated professional
7 skills: lawyers, doctors, accountants, etc.

8 Q I hardly blame them for
9 that.

10 A But it was skills --
11 you know skilled professions. The people of the north
12 can readily identify with like airline pilots was very
13 high on the list of occupational preferences.

14 Q All right.

15 A These are -- the jobs
16 are relatively ones that were more or less community
17 based.

18 Q Now, their community based
19 jobs -- is a gas plant operator's job a community
20 based job?

21 A At the present time,
22 I don't that has been determined except in the initial
23 stages, they expect to work a rotational system.

24 Q But they are jobs where
25 a person who is an operator goes to the compressor
26 station site. Isn't that correct?

27 A Yes.

28 Q Unless that happens to be
29 in the community, would you call that community based or
30 not?

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

A Well these jobs are going to be in Inuvik, Norman Wells and Simpson. I would expect that the largest number of people that -- northerners that are recruited into these -- will live in these centers.

Q All right and in your opinion are those the most desirable and prestigious place to live?

A It's an individual choice.

Q I understand that. But you are a person who obviously has been hired by Foothills because you have some experience. Do people tell you they would prefer to live in these centers than other centers?

A I find that northern people will move into the urban centers looking for employment.

Yes.

Q Do people tell you they would prefer to live in these centers as opposed to other centers.

A Some have and some say they prefer the smaller settlements but that similar opportunities are not available.

Q Is it your opinion which has been used by Mr. MacLeod with regard to these gas plant jobs fitting into the airline pilot category as being most desirable, most prestigious?

A Yes.

Q On page 27, in answer to question 39 Mr. MacLeod, you state that:

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Bayly

1 "Some native prefer to work in camps well removed
2 from their settlements."

3 Largely, I gather, because they can accumulate greater
4 income because they are away from town and because they
5 don't have the pressures to quit the jobs. Is that
6 right?

7 WITNESS MacLEOD: That's right. Yes.

8 Q O.K. Have you taken into
9 account that the community based jobs may not be available
10 for everybody?

11 A Yes, I have taken that into
12 account.

13 Q Have you taken into account
14 the fact that there may be lower pay scales in the
15 community based jobs?

16 A Yes, I have.

17 Q Have you taken into
18 account that these may be some of the reasons people go
19 to the camp jobs as well as the ones that you state?

20 A Those are some of the
21 reasons. Yes.

22 Q When you came to the
23 opinion that you came to in the answer to question 39,
24 was it the result of a survey or was it an opinion formed
25 from some other source?

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1 A It was an unofficial
2 survey.

3 Q Who did you survey?

4 A Employees of labour
5 crews, primarily.

6 Q And were the labour crews
7 those hired by the oil companies in the various out-
8 camps?

9 A No, these would be -- these
10 were primarily local firms.

11 Q When you say local firms,
12 do you mean ones that --

13 A Based in Fort Simpson and
14 Inuvik, hired locally.

15 Q Construction firms?

16 A Yes, and site restoration
17 firms.

18 Q And so you left oil and
19 gas company employees out of that survey?

20 A Well, these firms
21 serviced the oil and gas industry.

22 Q All right. Would you go
23 to the camps and conduct these surveys or did you con-
24 duct them in the settlement from among the labour pool
25 that would be available for those jobs?

26 A -- It was among the labour
27 pool which was available for those jobs.

28 Q Was it as
29 a result of a questionnaire or house to house interviews?
30 How did you do that?

A No, it was quite

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1
2 casual. I mean, I lived there. I'd been living there
3 for three years and --

4 Q So it was -- you did
5 it by your own personal observations rather than a
6 survey as we might understand it?

7 A Yes.

8 Q On page 37, on the answer
9 to question 50, there's a statement here in which you
10 say that it is generally believed that many native
11 northerners have left the north over the years because
12 of inadequate employment opportunities, now we had
13 some evidence fairly recently from Mr. Brody and Dr.
14 Usher and I don't know if you've had an opportunity
15 to look at that evidence but one of the comments made
16 by Mr. Brody was that in contrast to other areas where
17 there aren't a great deal of jobs, people don't leave
18 the north in great numbers, if you compare it to the
19 Maritimes, for example.

20 A Well, I'd like to make
21 a distinction there between, let's say the Inuvik end
22 of the river and the southern end. I think people in
23 the delta and points north are less likely to go south
24 than people at the other end of the river.

25 Q So, this statement should
26 be restricted to the people up river, at the south end
27 of the system.

28 A I wouldn't restrict it,
29 but I would say that it's much more applicable.

30 Q Yes. Well, you've said that

Burrell, Jensen, Fillwood,
Deyell, MacLeod
Cross-Exam by Bayly

1 many native northerners have left the north and the
2 impression that I got from other witnesses was that not
3 many native northerners had left the north, particularly
4 at the north end, as you've stated.

5 A Well, I say very few
6 people from the north end have left the north.

7 Q Yes. And when you say
8 leave the north, you mean on a permanent basis?

9 A They seem to leave and
10 come back.

11 Q Say again?

12 A These people who leave
13 the north, eventually do return in many cases.

14 Q So, you're including in
15 people who leave the north, people who leave and come
16 back?

17 A Yes.

18 Q Well, how long do they
19 have to have left before they fit into this category
20 of people who leave the north?

21 A I don't know, I think I
22 might even consider Nortran trainees as being people
23 who leave the north because of lack of opportunity in
24 the north, and they do return once opportunities do
25 present themselves.

26 Q So, you'd include them
27 and you'd include people who went to other educational
28 institutions to acquire skills as people who've left
29 the north?

30 A Yes.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1 Q Even though they may be
2 enrolled in a programme like Nortran which is specifically
3 designed with the hopes that they will come back to the
4 north with the skill?

5 A But they're not required
6 to come back, they have the option to return, yes.

7 Q I understand that, but
8 you've included them in these people who leave the north?

9 A Yes I have, yes.

10 Q Page 39, you refer to
11 southern hiring halls in the last paragraph, and you've
12 stated that that's one of the things that will keep a
13 large number of southerners from coming to the north
14 on speculation.

15 A Yes.

16 Q And you've stated a little
17 higher up on the page that there's no road link to the
18 south -- at least no farther up than Fort Simpson or
19 Fort Wrigley and you've said that will also be a
20 deterrent.

21 A Yes.

22 Q Now, have you checked
23 with the Alaska experience in order to determine how
24 many people came by way of the Alaska highway and how
25 many came by boat or by airplane?

26 A I've seen the figures. I
27 recall several hundred percent increase in highway
28 traffic.

29 Q Several hundred percent
30 increase.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1
2 A Yes.

3 Q And how does that correspond
4 to the percentage of people that came by road as
5 opposed to other modes of travel?

6 A I'm not sure, I didn't
7 make such a comparison.

8 Q All right, so all you
9 can tell us is that more people used the highway during
10 the period that lead to ^{and} involved construction?

11 A Yes. It's my impression
12 that the highway was the main means of transportation.

13 Q Yes, and you've stated
14 that a \$200.00 plane ticket will deter some people
15 from coming on speculation as well.

16 A Yes.

17 Q I take it that you don't
18 think that these things will be exhaustive but there
19 will still be some people who will come on speculation?

20 A That's right, I would
21 expect some.

22 Q How would you propose
23 to deter people who are that determined, if at all?

24 A Yes, I think that would
25 be accomplished primarily through an information pro-
26 gramme which would stress the lack of facilities in the
27 north and the necessity to go through hiring halls in
28 the south.

29 Q Come back to page 37 and
30 your answer to question 51. You state there that the

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1 impact of the operations phase will be greater on public
2 and private services than the construction phase. Now,
3 as I understand from witnesses that come from Alaska,
4 the impact on public and private services during con-
5 struction itself was particularly severe. Businesses were
6 turned over and were taken over by bigger concerns.
7 How do you propose to insulate, if at all, northern
8 businessmen from this kind of experience?
9

10 A What, from selling out?

11 Q Yes. You see, they're
12 if
13 waiting for the opportunity and/the Alaskan situation
14 is a parallel at all, it seems that some of the people
15 there were forced to sell out even though they may have
16 been waiting as well.

17 MR. HOLLINGWORTH: I'm sorry
18 Mr. Bayly, even though what?

19 MR. BAYLY: They may have been
20 waiting as well.

21 A I think -- it's my impression
22 that local business is trying to hold on as long as
23 possible, survive as long as possible in order to be
24 in a position to capitalize on the business opportunities
25 generated by the pipeline.
26
27
28
29
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Bayly

1 Q Is it your opinion that
2 businesses that hang on as long as possible will be in a
3 position to generate enough capital to participate in
4 the servicing of your project?

5 A Yes, it's my understanding
6 that there's enough credit available in the study
7 region to finance adequate capacity expansion. All you
8 need is a good project or a good proposal to propose
9 to the bank. If you can do that, the credit's there.
10 Right now credit would be difficult to obtain because
11 most businesses do not have a viable project to propose.
12 But if they did, the money is there.

13 Q And that, you feel, is
14 for existing businesses who may at this point
15 stretch their credit to its limit.

16 A Yes.

17 Q Have you discussed this
18 with the banks?

19 A Yes, I have.

20 Q And they're prepared to
21 do that, at least in a general way? Or to give you
22 that assurance in a general way?

23 A The banks right now are
24 very reluctant to finance, because a lot of businesses
25 could fold if development is delayed much longer. But
26 if these same businesses came and proposed some concrete
27 opportunity, business opportunity to a bank I don't
28 think they'd have too much difficulty in obtaining
29 funds. If they are turned down by the bank, equipment
30 purchase is extremely easy through acceptance companies.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Bayly

1 camp who would otherwise be community leaders, and
2 when people leave to take the operations and maintenance
3 jobs. Who is going to fill the vacuum?

4 A Well, it may not be
5 filled.

6 Q All right. I understand
7 the experience is sometimes that it is filled by people
8 who come up on a speculation basis, who have been to
9 a smaller settlement.

10 A Now are you thinking of
11 businessmen?

12 Q Yes.

13 A I don't think there's any
14 reason for a businessman operating in a smaller
15 settlement to pull out.

16 Q I'm not suggesting there
17 is. I'm suggesting --

18 A That is leaving and going
19 into a larger community, there's no reason for that
20 at all.

21 Q I'm suggesting the
22 opposite, that people may go into the smaller communities
23 because those people who normally do the jobs and take
24 the contracts may have gone on the pipeline.

25 A Well, in virtually every
26 community now you have a general contractor, and he's
27 the one in the best position to take advantage of
28 business opportunities in his area. There's no reason
29 for him to leave, so I don't see why a vacuum in that
30 area should be created.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Bayly
Cross-Exam by Sigler

1 Q You don't think you'll
2 be attracting him and his work?

3 A I don't -- for example,
4 I don't see any reason for a general contractor in
5 McPherson to go to Inuvik to get work. He can still
6 operate out of McPherson, so there won't be a vacuum
7 created. As for outsiders coming in to establish a
8 business, they're more likely to go into the larger
9 settlements because living conditions are more conducive.

10 MR. BAYLY: Perhaps Mr. Holling-
11 worth could advise me if I should save my questions on
12 the manpower delivery system until the other two witnesses
13 arrive?

14 MR. HOLLINGWORTH: Will you
15 answer that?

16 WITNESS BURRELL: I spoke to
17 the manpower delivery system, Mr. Kosten, whose evidence
18 deals with the construction phase, and that's the area
19 that we were wanting to defer.

20 MR. BAYLY: All right, the
21 questions that I have are largely on the construction
22 portion, and if I'm to save those, Mr. Commissioner, for
23 Mr. Kosten, I'm prepared to do so. Those are all the
24 questions I have of these members of the panel.

25 MR. GOUDGE: Mr. Sigler?

26
27 CROSS-EXAMINATION BY MR. SIGLER:

28 Q Mr. MacLeod, on page 32
29 of the evidence, question 43 in your answer, your
30 last sentence is:

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Sigler

1 "Nevertheless, I note that the population of
2 Inuvik, Fort Simpson and perhaps Hay River
3 have declined in absolute terms since my
4 population projections were made early in
5 1975."

6 Would you care to elaborate on that?

7 WITNESS MACLEOD: All right,
8 I was in Fort Simpson last year doing a survey and
9 spent about two weeks there, and what really struck me
10 was that a lot of mobile homes had been removed from
11 the community, just packed up and left, they were
12 recent departures. I think that was an indication that
13 the population had fallen off there.

14 I also discussed the population
15 situation in Inuvik with Mayor Robertson and last year
16 many people thought there was a population in the
17 community of about 4,000; the feeling right now is
18 there is probably closer to 2,000.

19 Q So you are familiar with
20 Inuvik, I take it.

21 A Yes.

22 Q You've lived there. You
23 say the population has decreased from 4,000 down to
24 2,000?

25 A I don't really believe
26 it ever was at 4,000, but that was the impression given
27 by a lot of people. My figure was around 3,300.

28 Q Your impression was that
29 it was at 3,300 when, a year ago or --

30 A About a year ago.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Sigler

1 Q And it's dropped now to
2 2,000?

3 A To about 2,000. But
4 there are still people this year who think there's 4,000.
5 I think the Territorial Government think there's 4,000
6 -- that may be tourist pressures.

7 Q Well, we better not tell
8 them otherwise.

9 A There is no official
10 figure, I don't think.

11 THE COMMISSIONER: Well, that's
12 good so everyone can come to their own.

13 A That's the way it works
14 right now.

15 MR. SIGLER: O Well, what
16 about Simpson, are you able to give any numbers as
17 to the decline there that you'd estimate?

18 A No, I can't give a definite
19 figure.

20 Q What about Hay River?

21 A I don't have a definite
22 figure there either. It's just from observation. These
23 observations are based primarily on vacant living
24 quarters.

25 Q What reason would you
26 give for the decline? Are you able to give a reason?

27 A It's the postponement of
28 development, primarily.

29 Q What kind of development?
30

Burrell, Jensen, Ellwood,
MacLeod, Deyell,
Cross-Exam by Sigler

1 Are you talking about the pipeline, or a pipeline?

2 A Yes.

3 Q And when you made the
4 statement, I think in answer to Mr. Bayly, that businesses
5 could fold if there's no development, you're talking
6 there about businesses that could fold if there's no
7 pipeline?

8 A That's right.

9 There seems to be an insufficient volume of business
10 right now to keep a lot of these businesses in operation
11 indefinitely.

12 Q And what communities are
13 you talking about there?

14 A It's the main communities.
15 Inuvik, Norman Wells, Simpson and Hay River to a lesser
16 extent.

17 Q Have you noticed any --
18 could you observe or made any observations about busines-
19 ses that have actually folded to date because of there
20 being no development?

21 A There weren't many business
22 failures back in '75. I can see a lot of trouble
23 right now. I can see some failures almost inevitable
24 in the very foreseeable future.

25 Q What scenario would you
26 paint of a continuing picture of a situation of no
27 development taking place that would affect, say,
28 Inuvik? What would the scenario be for the Town of
29 Inuvik, in your opinion, if there was no decision made
30 in favor of development?

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1
2 A The population would
3 continue to fall off. Businesses will continue to
4 pull out. I know quite a few businesses now are in a
5 very precarious financial position.

6 THE COMMISSIONER: Well, Mr.
7 MacLeod, let me put it this way: These businesses
8 that are in a holding pattern, if all of this, if their
9 future is dependent on a pipeline being built now,
10 and of course since the Inquiry was established we have
11 been told that there are any number of businesses in the
12 north in a holding pattern whose future depends on
13 the pipeline being built now, that has been the refrain
14 for something like two years. Now, this Inquiry is
15 anxious to get its report into the government by the
16 end of the year. There is, we are told in news
17 reports and that's all I have to go on, that the
18 National Energy Board will not complete its hearings
19 until next spring and its report may not be available
20 to the government until later in the year. Then the
21 government may wish to take some time to consider the
22 matter. Well -- and of course, the government may in
23 the final analysis decide that it is not going to
24 build the pipeline. But let us assume that a decision
25 by the government is not immanent and that is what one
26 must assume if the regulatory procedures established
27 by Parliament or the National Energy Board Act are
28 going to be carried out. What is the future for all
29 of these businesses that are in a holding pattern now?
30 Do you just see what I'm getting at? We've been told

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1
2 this now for two years, and a decision is still many
3 months away --

4 A Yes.

5 Q -- if it is going to be a
6 decision
7 made according to the law of the country as it stands
8 now, which requires that the National Energy Board shall
9 hold hearings and grant a certificate. It may decide
10 to grant a certificate, it may not.

11 A M-hm.

12 Q You see, all of these
13 people have proceeded on the assumption that the National
14 Energy Board would inevitably grant a certificate of
15 public convenience and necessity; but under the National
16 Energy Board Act there is no requirement that they do
17 so; and in any event, if they grant a certificate the
18 government can then review it and decide to uphold it
19 or to not to proceed. But all of these failures that
20 you see occurring immanently, what are their prospects?
21 Can they hold on till the decision-making process is
22 completed?

23 A Most of these businesses
24 came into existence between say 1970 to '73, and they
25 have already operated at very high levels of activity
26 because of the high level of exploration work going on
27 in the first half of the decade. So it's not necessary
28 that construction start on the pipeline tomorrow to keep
29 these businesses alive. What is necessary is that the
30 prospects for pipeline construction remain sufficiently
positive as to maintain drilling activity, and preferably

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1
2 increase it to say 1974 levels at least.

3 Q You're talking about
4 businesses in Inuvik and the delta then?

5 A Yes, and these businesses
6 have done very well in the last five years without a
7 pipeline; but this favorable activity has been based
8 on the prospects of a pipeline. So those prospects
9 have to be kept alive, sufficiently alive to justify --

10 Q Yes, you're saying that
11 you're really telling us that the oil and gas industry
12 and they've announced this, I think the president of
13 Imperial Oil was in Yellowknife recently to say so in
14 as many words that unless the government gives the go-
15 ahead to the pipeline, there will be a falling off of
16 oil and gas activity in the delta and the Beaufort Sea.
17 That's really -- you're saying that these business
18 failures you foresee would be the fallout from that
19 whole thing. That's essentially the picture.

20 A Yes, if drilling ceases,
21 these businesses will definitely fail. Last summer would
22 have been a disaster in Inuvik had it not been for the
23 one million dollar expansion -- expenditure program for
24 the Town of Inuvik, because there was no other work
25 around.

26 Q Well, the Town of Inuvik
27 kept those businesses alive --

28 A Yes.

29 Q -- with public expenditures.

30 A Yes. Now that \$1 million

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1
2 expenditure was based on developments, the prospects of
3 developments. It seems possible that the Town of Inuvik
4 has over-extended itself because of it.

5 So this year we don't have
6 very much of a public expenditure program in Inuvik.
7 On the other hand, Dome is doing work in the area.

8 Q Yes. You see, Dome has
9 been given the go-ahead for something like 16 wells to
10 be drilled over five years, pipeline or no pipeline.
11 That presumably would fill the role that Inuvik had
12 to step in and fill last year to keep those businesses
13 alive. Is that a reasonable assumption?

14 A Yes, except the Dome
15 program is much more limited in time. The drilling
16 season is short and it's done on ships, requires less
17 manpower than work which would be undertaken --

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

Q But you are talking about business failures, not a lack of employment opportunities except as a function of business failures. You're just considering the plight of those businessmen and their businesses for the moment without going back into the whole question of economic impact and employment opportunities throughout the delta which I think we have discussed at length. I certainly had the feeling we had gone into it.

A whole mind set was established in the delta on the assumption that a pipeline would be built, when the National Energy Board Act throughout provided that a certificate of public convenience of necessity had to be granted. When the Territorial Lands Act provided that a right-of-way had to be granted, that expectations were raised notwithstanding -- and spokesman for the Government of Canada did a good deal to raise those expectations.

This atmosphere was created notwithstanding the fact that the law provided that the plans for pipelines had to be subjected to the most rigorous examination before a statutory tribunal.

Well, anyway, it's 4:30. When are we supposed to end. Is 4:30 our closing time?

MR. GOUDGE: It is about 25 to five sir.

THE COMMISSIONER: Do we end at 4:30 or 5:00?

MR. GOUDGE: Well, how much longer. We --

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

1
2 THE COMMISSIONER: How
3 much longer will you be? I am finished. I have no
4 questions.

5 MR. SIGLER: Now for my second
6 question. No, I might be another 15 minutes.

7 MR. GOUDGE: Perhaps we could
8 do that and then stop for today sir, if that suits you.

9 THE COMMISSIONER: O.K. Well is
10 that all right with you. Just carry on.

11 MR. SIGLER: So your evidence
12 Mr. MacLeod is that without the prospects of a pipeline
13 that the population would decrease dramatically in
14 Inuvik?

15 A Yes.

16 Q Does the same apply to
17 Hay River and Simpson?

18 A Yes but I think much of
19 this decrease has already taken place.

20 Q It already has taken place?

21 A Yes. In Inuvik and Fort
22 Simpson.

23 THE COMMISSIONER: Mythical 4,000
24 to 2,000?

25 A Yes.

26 MR. SIGLER: And the actual
27 3300 to 2,000.

28 A I think at one point there
29 actually was a population of 4,000 in Inuvik. That's
30 around '73, '74. A year ago, it was probably 3,200, 3,300.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

1 Now it's closer to 2,000.

2
3 THE COMMISSIONER: So the fallout
4 in population certainly in Inuvik has by and large
5 occurred.

6 A Yes, but right now, we
7 are at a seasonal low because school is out. In the fall,
8 some people will return with children. So you might
9 go back up to 2,500. Then it will start to fall off
10 again from 2,500.

11 Q Yes, but those fluctuations
12 occur pipeline or no pipeline?

13 A Yes. So when I say it's
14 2,000 right at this time, that might be an over-
15 exaggeration of the fall off.

16 Q The slowdown in the
17 construction of the Mackenzie highway was surely
18 responsible to a greater extent than any falloff in oil
19 and gas exploration activity for a decline in population
20 in Simpson. Wouldn't that be so, or would you not agree
21 with that?

22 A No, I wouldn't agree with
23 that.

24 Q You wouldn't?

25 A No because that project
26 used mainly Hire North, was a Hire North project and
27 almost everyone involved in it was native and local.

28 Q Yes.

29 A There wasn't much use--
30 / don't
I think there was any use at all of local contractors.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

1
2 Q The number of jobs in the
3 Fort Simpson area may have declined because of the
4 closing down of highway construction but all of the
5 people are still there. There was no decline in popula-
6 tion because it was native people who were employed on
7 the Hire North project?

8 A Until about two years ago,
9 there was much more exploration taking place in that
10 area and that has fallen off.

11 Q But is there any reason
12 that you can assign to the falling off in the exploration
13 activity in the Fort Simpson area. Is is anything to do
14 with the pipeline prospects or did it have more to do
15 with the results themselves of exploration?

16 A I think that the two
17 factors were involved. Some businesses were established
18 to take advantage of pipeline opportunities and since
19 these opportunities did not materialize, these businesses
20 folded.

21 Q That has occurred?

22 A That has occurred. The
23 Simpson business community is particularly unhealthy at
24 this time. So I would say probably the worst is over in
25 Simpson.

26 Q Yes.

27 A Such is not the case in
28 Inuvik.

29 Q Yes. Yes, sorry. Go ahead.

30 MR. SIGLER: My third question, sir.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

1 THE COMMISSIONER: Mr. MacLeod
2 is good enough to stick his neck out and try to tell us
3 what the picture is and I appreciate it.

4 MR. SIGLER: Would you say that
5 say for Inuvik -- sticking with the Inuvik example --
6 that the population decrease -- the people that there
7 in the prospects of a pipeline have already left and the
8 population has declined?

9 A Some have left.

10 Q The main part of the decline
11 has already occurred you say?

12 A The big contractors have not
13 pulled out yet. The big long established contractors.
14 They are still hanging on.

15 Q Well what would your --
16 let's say that the decision to build a pipeline is
17 not forthcoming -- not a year from now but not say for
18 the next five years, what picture would you paint for
19 Inuvik's population? Would it continue to decline beyond
20 what it is now?

21 A Yes. Definitely, yes.

22 Q What would you see the
23 rock bottom being as the basic core of Inuvik that would
24 ^{there} be even without any prospects?

25 A Well, as I said earlier,
26 right now it might be around 2,000 but that should be
27 adjusted upwards to reflect the return of students in a
28 month or so.

29 THE COMMISSIONER: You count
30 the students that come in from the other villages to go

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

1
2 to high school there as part of the permanent population?

3 A Yes, but there is also
4 people -- you know -- whites who live there year round
5 who send their families out for the summer so they would
6 be coming back if they are not back already. So maybe
7 we should look at a realistic figure of somewhere around
8 2,500 right now. I could see it backing off by another
9 700 if there were no pipeline for another five years.

10 Q So the 1,800 that would
11 be left would be the solid base that would be left of
12 Inuvik?

13 A Something like that, yes.
14 You would have your fixed civil service component there
15 plus the base native population.

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Sigler

1
2 Q And would you be able to
3 give a similar analasis of either Fort Simpson or Hay
4 River? Either specific ones or general when you're
5 looking at figures?

6 A I would suspect that Fort
7 Simpson is pretty close to rock bottom now. I have less
8 information on Hay River.

9 THE COMMISSIONER: Hay River
10 presumably would be less. The business activity in
11 Hay River would fluctuate somewhat less than in those
12 other two places. Is that --

13 A Yes, well certainly a
14 lot less than in Simpson, because right now there is
15 some hydrocarbon activity going on in the delta and
16 Hay River does profit from this because of its barging
17 facilities, so/at the same time Fort Simpson is by-
18 passed completely, Fort Simpson is not really taking
19 advantage -- it's not really involved in anything right
20 now.

21 Q So you'd say Hay River
22 is profiting from whatever exploration activity that
23 would be going on around.

24 A Right now even. But
25 curiously enough, Inuvik might not be taking as much
26 advantage of that kind of activity right now that it
27 used to, because barges quite often go right by Inuvik
28 now instead of stopping for trans-shipments.

29 THE COMMISSIONER: Sorry, I
30 didn't catch that, do you want to repeat that?

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Sigler

1 Foothills employment policies would be successful as
2 far as they relate to hiring local people, especially
3 native people and also as far as the camp policy is
4 concerned?

5 A Yes.

6 Q THE COMMISSIONER: Ms.
7 Jensen, do you agree essentially with what Mr. MacLeod
8 says about the economic picture in Inuvik, given these
9 various scenarios? Do you dispute anything Mr. MacLeod
10 has said?

11 WITNESS JENSEN: No, and
12 recent observations and discussions in Inuvik indicate
13 that there are quite a few people who have left and other
14 people are seriously considering it depending on a
15 decision.

16 MR. SIGLER: Now, Mr. MacLeod,
17 on page 35, at the bottom, you state that most of the
18 population increase would be concentrated in Inuvik,
19 Norman Wells and Fort Simpson. I note you have specifically
20 have not included Hay River. Why don't you foresee a
21 concentration of population increase in Hay River?

22 WITNESS MacLEOD: Well, there's
23 no operations and maintenance facilities planned for
24 Hay River.

25 Q And you're talking on
26 the operations phase mainly in your projections.

27 A At that point, yes, I
28 think so. Yes, that's correct.

29 Q Would that same be true
30 to the construction phase?

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Sigler

1
2 A In the construction
3 phase we'll expect a temporary population increase,
4 connected with the barge traffic, but it's only an
5 increase in relation to current level of activity, it
6 wouldn't be an increase in relation to, let's say, 1973
7 level of activity. It's my understanding that at about
8 two years ago, barge traffic was pretty heavy so we could
9 see a return to that kind of a level, but not a sub-
10 stantial increase over that level.

11 Q That's once again, you're
12 talking of the Foothills application.

13 A Yes.

14 Q The Foothills proposal
15 going ahead, when you're saying that?

16 A Yes.

17 Q Do Foothills have any
18 plans for Axe Point?

19 WITNESS ELLWOOD: Yes we do.
20 Mr. Kosten will speak to that when he returns, if you
21 wish.

22 Q Now, on page -- on page
23 36, Mr. MacLeod, I refer you to the same sentence that
24 Mr. Bayly referred you to. "On the other hand, ethnic
25 balance within the smaller settlements should not be
26 affected significantly." I take it that's a prediction
27 there, not a value judgement?

28 WITNESS MacLEOD: It's a
29 prediction, yes.

30 Q Also a value judgement?

A Well, the idea is that

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Sigler

1 someone who's been living in Calgary all his life and
2 is accustomed to you know, the amenities in such a place,
3 is not too likely to move into any of these small native
4 communities with no running water and so on. So really,
5 in a sense, it's a prediction of other persons value
6 judgements.
7

8 Q On page 38 and 39, you
9 draw in the Alaskan experience then you make distinctions
10 because of Inuvik not having the road link to the south.
11 What do you say about this -- these differences, surely
12 you cannot make for Hay River and Fort Simpson which
13 are on the highway.

14 A That's right.

15 Q Mr. MacLeod, I also --
16 when you gave evidence on the first panel, you undertook
17 I believe, to provide figures on the money spent by the
18 Federal Government in the Northwest Territories other
19 than the -- on the Territorial Government.
20 I wonder if you had been able to get those figures yet
21 or if you would undertake to provide them?

22 A Yes, what happened was,
23 about a month and a half ago, I sent an order in to
24 Information Canada to pick up a publication which I
25 thought might contain information I wanted. My order
26 was returned because Information Canada was out of
27 business.

28 So, when I was asked that
29 question a couple of weeks ago on panel one, I suggested
30 that the information wasn't available, well, I just
received it and it's contained in the publication called

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Sigler

"The Annual Northern Expenditure Plan, 1975-'76", put
out by Indian Affairs, I believe.

Burrell, Jensen, Ellwood,
MacLeod, Deyell
Cross-Exam by Sigler

1 Q You'll provide that too?

2 A No, it's a public document.

3 Q O.K., Mr. Burrell, on page
4 75 you speak of -- starting at your answer to question
5 91 at the top of page 75:

6 "Contractors and sub-contractors on a project
7 will also be required to purchase from local
8 northern business wherever practical, and where
9 there will be no adverse effects on communities'
10 supplies or services."

11 Who will it be that determines what is an adverse effect
12 on communities' supplies or services?

13 WITNESS BURRELL: Well, we'll
14 have to have of course discussions with the communities
15 themselves and of course this is one of the assignments
16 that we've asked the Business Opportunities Board to
17 look into. So it's a matter of discussions among the
18 interested parties to see what the capabilities of the
19 various communities are, and the contractors, and to
20 develop our purchasing accordingly.

21 Q Well, I'm interested in
22 how this would actually work in practice. Will you
23 expound on that a bit more? How would Foothills encompass
24 ses -- how this program would actually work in practice?

25 A Well, as I said, we intend
26 to -- this is, of course, one assignment we have given
27 to the Business Opportunities Board, and what their
28 work there will be will determine the ongoing work that
29 is normally done in the community and the contractors
that are in the community at the time, and their

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1 capabilities, and then they'll be recommending to us
2 what these contractors are capable of doing within --
3 and also what requirements are needed in the communities.
4 Then it will be a case of discussions with the communities
5 themselves and the contractors to be sure that the
6 contractors and the businessmen get an opportunity to
7 take advantages of the opportunities, but that the
8 communities themselves are protected. It's a matter of --
9 it's one of the many things that will have to be dis-
10 cussed in detail with the various communities.

11 Q You're not saying that this
12 Business Opportunities Board that Foothills has set
13 up will make these decisions?

14 A They will be providing us
15 with advice, but I think the decision on this has to be
16 in discussion with the community leaders themselves and
17 the contractors within the community.

18 Q But you don't see Foothills
19 themselves making these decisions.

20 A We'd be party to the
21 decision. I think it's a case of having discussions, as
22 I said before, with the community and with the contractors
23 to be sure that we aren't draining resources from the
24 communities that the communities themselves could utilize.
25 So it will be something that will have to be worked out.

26 Q What are the adverse
27 effects on communities supplies or services that you
28 were referring to? What kind of adverse effects could there
29 be on community services?

30 A Well, perhaps a supplier

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1 of groceries is an example, or tires or whatever, says
2 "I want to supply all the tires or all the groceries,"
3 and we went in and reached that agreement with him and
4 we drained the community of supplies of that nature.
5 We certainly wouldn't want to do that, and that's just
6 one example. There are many others, I'm certain.

7 Another thing, of course, is
8 draining contractors away that could normally provide
9 the municipal services, the communities would want to
10 maintain those services with the highest level of
11 efficiency possible. So it's a matter of negotiation
12 discussions with the communities themselves.

13 Q Now, the only other question
14 I have for you is, call the Phase 1 evidence you under-
15 took to provide some information for us, namely the
16 money that would be required to get gas to all the
17 communities, more than \$25 communities --

18 A Yes.

19 Q -- and the downstream
20 effect on the 1½¢ figure of supplying gas to all communi-
21 ties. I wonder how close you are to providing us with
22 those figures?

23 A We're in the process of
24 developing a response now. I would think that -- I was
25 just looking at the Inquiry time-table, and there are
26 no sittings the last week in August, and I wonder if
27 the date of September 7th, which is the first day the
28 hearings reconvene, if that would be an acceptable date?

29 MR. SIGLER: Very good for our
30 purposes. Those are all the questions I have of this

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Sigler

1 panel, sir.

2 THE COMMISSIONER: O.K., well
3 then let's adjourn until tomorrow morning at ten A.M.
4 and I would think we'll complete the examination of
5 this panel without delay.

6 What is the next item of
7 business after this panel?

8 MR. GOUDGE: Just to schedule
9 the week quickly, sir, we'd anticipate concluding cross-
10 examination of this panel tomorrow morning and we'd then
11 move on to evidence called by Commission counsel, Dr.
12 Mim Dixon. We've distributed her evidence and just
13 now distributed three reports that she'll be relying on,
14 although her evidence was distributed last week.

15 Following that we'll have three
16 witnesses presented by Mr. Bayly, and that should take us
17 to Wednesday evening, and then the Association of
18 Municipalities has a panel basically the Stanley &
19 Associates Report, as I understand it, which will take
20 up the balance of the week, and with some time for Mr.
21 Blair's speech on Friday.

22 THE COMMISSIONER: O.K., fine.

23 (PROCEEDINGS ADJOURNED TO AUGUST 17, 1976)
24
25
26
27
28
29
30

347
M835
Vol. 170

AUTHOR

Mackenzie Valley pipeline inquiry:

DATE

August 16, 1976 Yellowknife

DATE

BORROWER'S NAME

347
M835
Vol. 170

CA1
Z 1
-74M21

MACKENZIE VALLEY PIPELINE INQUIRY

Government
Publications

IN THE MATTER OF APPLICATIONS BY EACH OF

- (a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and
 - (b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES
- FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

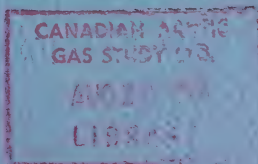
(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.

August 17, 1976.

PROCEEDINGS AT INQUIRY

Volume 171



1 APPEARANCES:

2 Mr. Ian G. Scott, Q.C.,
3 Mr. Stephen T. Goudge,
4 Mr. Alick Ryder, and
5 Mr. Ian Roland, for Mackenzie Valley Pipeline
6 Inquiry;

7 Mr. Pierre Genest, Q.C.,
8 Mr. Jack Marshall,
9 Mr. Darryl Carter, and
10 Mr. J.T. Steeves, for Canadian Arctic Gas Pipe-
11 line Limited;

12 Mr. Reginald Gibbs, Q.C.,
13 Mr. Alan Hollingworth, and
14 Mr. John W. Lutes, for Foothills Pipe Lines Ltd.;

15 Mr. Russell Anthony,
16 Prof. Alastair Lucas and
17 Mr. Garth Evans, for Canadian Arctic Resources
18 Committee;

19 Mr. Glen W. Bell and
20 Mr. Gerry Sutton, for Northwest Territories
21 Indian Brotherhood, and
22 Metis Association of the
23 Northwest Territories;

24 Mr. John Bayly and
25 Miss Lesley Lane, for Inuit Tapirisat of Canada,
26 and The Committee for
27 Original Peoples Entitle-
28 ment;

29 Mr. Ron Veale and
30 Mr. Allen Lueck, for The Council for the Yukon
Indians;

Mr. Carson Templeton, for Environment Protection
Board;

Mr. David H. Searle, Q.C.
for Northwest Territories
Chamber of Commerce;

Mr. Murray Sigler and for The Association of Munici-
palities;

Mr. John Ballem, Q.C., for Producer Companies (Imperial,
Shell & Gulf);

Mrs. Joanne MacQuarrie, for Mental Health Association
of the Northwest Territor-
ies.

I N D E X

Page

WITNESSES FOR FOOTHILLS PIPE LINES LTD.:

| | |
|---|-------|
| John Keith BURRELL | |
| Miss Maureen Elaine JENSEN | |
| John Russell ELLWOOD | |
| John B. MacLEOD | |
| William J. DEYELL | |
| - Cross-Examination by Mr. Goudge | 26516 |
| - Cross-Examination by Mr. Bayly (cont) | 26566 |

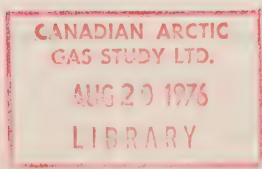
WITNESSES FOR M.V.P.I.:

| | |
|-----------------------------------|-------|
| Dr. Mim DIXON | |
| - In Chief | 26576 |
| - Cross-Examination by Mr. Sigler | 26619 |
| - Cross-Examination by Mr. Bayly | 26673 |

EXHIBITS:

| | | |
|-----|---|-------|
| 685 | 4 Volumes Biological Field Program Report, 1975, by Lombard North | 26516 |
| 686 | Revised Part III of Foothills Construction Plan | 26516 |
| 687 | Inuit Hunting Rights in the N.W.T. by P.J. Usher | 26516 |
| 688 | Evidence of Dr. M. Dixon | 26607 |

247
M835
Y31.171



1 Yellowknife, N.W.T.

2 August 17, 1976.

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 THE COMMISSIONER: Well, shall
5 we come to order and begin?

6 MR. GOUDGE: Yes sir, we're
7 prepared to proceed. Mr. Bayly indicated he had one or
8 two things to do before we begin.

9 MR. HOLLINGWORTH: Mr. Commissioner
10 perhaps before Mr. Bayly proceeds, I could take care of
11 a couple of housekeeping matters.

12 First, I'm filing the Biological
13 Field Program Report for 1975 prepared by the Lombard
14 North Group Limited for Foothills Pipe Lines. There
15 are four volumes I'd like to file with the Inquiry.

16 Secondly, sir, I've made mention
17 before various changes in the construction program of
18 Foothills that have been mooted, and I have a filing here,
19 sir, I'd like to file with the Inquiry that has replace-
20 ment pages for the original Part III volume of the
21 application that was filed on May of 1975.

22 MR. BAYLY: Is that your final
23 housekeeping matter, Mr. Hollingworth?

24 MR. HOLLINGWORTH: That's it,
25 thank you.

26 MR. BAYLY: I have one similar
27 matter, Mr. Commissioner, I undertook during the evidence
28 given by Dr. Usher in his last appearance to file the
29 hunting rights brief which is a supporting document to
30 the Nunavut proposal, and I have that document and

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1 I will give it to Miss Hutchinson to be marked as an
2 exhibit.

3 (4 Volumes BIOLOGICAL FIELD PROGRAM REPORT, 1975,
4 BY LOMBARD NORTH MARKED EXHIBIT 685)

5 (REVISED PART III OF FOOTHILLS CONSTRUCTION PLAN
6 MARKED EXHIBIT 686)

7 (INUIT HUNTING RIGHTS IN THE N.W.T. BY P.J. USHER
8 MARKED EXHIBIT 687)

9 MR. GOUDGE: If we can begin
10 again, I have a few questions for this panel.

11

12 JOHN KEITH BURRELL

13 MISS MAUREEN ELAINE JENSEN

14 JOHN RUSSELL ELLWOOD

15 JOHN B. MACLEOD

16 WILLIAM J. DEYELL, resumed:

17 CROSS-EXAMINATION BY MR. GOUDGE:

18 Q Mr. Burrell, if I could
19 begin with you, if I could, please, and ask you to turn
20 to page 4 of your prepared evidence, question 17 you
21 enunciate Foothills overall hiring policy in these
22 terms:

23 "When the qualifications of a northerner and
24 southerner are equal, preference will be given
25 to the northerner."

26 I take it you mean by that that when you have a northerner
27 and a non-northerner both capable of doing the job, the
28 northerner will be preferred?

29 WITNESS BURRELL: That's the
30 intent, yes.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

Q My background in dealing with trade unions makes me ask you to note that there is a difference between what I said and simply comparing a northerner to a southerner to take the most capable of the two. Let me put it this way. If you compare both the northerner and the non-northerner to the job, that is one thing. If you compare the northerner to the non-northerner and take the better, the more capable, that's a different thing. Does that make any sense to you?

A What we're saying here in that, we have had some discussion with the unions and they appreciate the position that there is a need to give preferential hiring to northerners. What we're saying here is that it's important that jobs that are made available are filled by people that are qualified to do those jobs, and that in a given situation if there is a northerner and a southerner having the qualifications to do that particular skill or trade, then the northerner should get the preference.

THE COMMISSIONER: I think what Mr. Goudge is getting at is that both may have achieved a certain level that qualifies them for the position. Is that sufficient to give preference to the northerner, or is it a case where both are qualified but the southerner's qualifications are greater than those of the northerner, will the northerner still get the position?

A Well --

Q Where both are qualified, yet one has obviously better qualifications.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 A -- in a sense one might
3 be over-qualified, is that what you're saying?

4 Q Yes, over-qualified, if
5 you want to put it that way.

6 A Well, the point is if the
7 individual has the qualifications to do the job and
8 there's a southerner who has the qualifications and then
9 some, as long as the northerner has those qualifications
10 to do the -- to perform the duties, then he would get
11 the preference.

12 THE COMMISSIONER: O.K., I
13 understand.

14 MR. GOUDGE: The corollary of
15 that, Mr. Burrell, is that you require as part of your
16 overall picture a detailed set of job descriptions and
17 qualifications to go with them so that you can evaluate
18 jobs and available northerners.

19 A Yes, I think that's a
20 case in any job whether you detail it on sheets of
21 paper, you still have to look at what is required, what
22 skills are required to do a certain job and evaluate
23 the people that are available and assign the jobs
24 accordingly.

25 Q Now, you say on the next
26 page of your evidence that one of the things you're
27 prepared to consider, looking at the bottom of the page,
28 is an employment rotation system and as well a labor
29 pool system for the construction phase. Dealing first
30 with the employment rotation scheme, has your company

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1

2 had a look at any cases where this sort of thing has
3 been employed in the past with success?

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1
2 A I was just asking Mr.
3 Deyell if Trunk Line had looked at that and he said
4 that they hadn't at this time. The point, I think the
5 point we're making here of course, is that there's a
6 considerable concern in the communities that the skilled
7 labour force will be drained off towards -- to work
8 on the pipeline and perhaps one way around it might
9 be the establishing of a pool system or a rotating
10 system which would allow people to remain in the communities
11 and fulfill the functions that are required there and
12 still allow people to go on to the pipeline. Here again
13 it's a point we're saying that we're prepared to address
14 this and look into it if it's a requirement and that's
15 the point that we're making. We're being flexible in
16 this regard.

17 Q Yes. As to either a
18 rotation system or a labour pool system though, are you
19 aware of any prototypes that you've looked at or that
20 we could look at to evaluate their work ability?

21 A Mr. Deyell was saying
22 he believes it was tried on the Pointed Mountain job and
23 -- but, we're really not certain of the details on that.

24 Q Let me ask you one other
25 aspect of a rotation system. Can you tell us how com-
26 patible a rotation system is with the efficiency you
27 would require in your operation?

28 A I think it could managed
29 very well. There's going to be a number of jobs available
30 and I think the important thing is, is that the manpower

1
2 is available to do the -- to perform the tasks that are
3 required and as long as you have the people there that
4 have the skills to do it, I'm certain if there was a
5 rotation scheme desirable that as long as the manpower
6 was made available to perform the task and I think it
7 would work out fine.

8 Q That's the only criterion
9 I take it, provided there are people at work to do the
10 job, the length of time individual employees spend on
11 the job is of no consequence to you?

12 A Well, I think we have to
13 be reasonable about the length of time they spent on
14 a job. We wouldn't want people coming in for two days
15 and leaving, but the point we're getting at here is
16 to be as a possible means whereby the people would be
17 available in the communities to perform those needed
18 tasks that have to be done in the communities and still
19 allow people to go out and work on a pipeline if they
20 wish to do so. And as far as the length of time on
21 the pipeline, it would have to be a reasonable length
22 of time that this rotational scheme works.

23 Q Reasonable I take it
24 because there is some cost in efficiency terms if it's
25 less than reasonable?

26 A Yes, you have to move
27 people in and out and that's a cost and there is
28 disruption involved, but I think when you really get
29 down to it, the important thing is to have the people
30 there that are capable of doing the job, that's the

1
2 important thing really.

3 Q Well, can you give us
4 any estimate of what is a reasonable length of time that
5 people must stay on the job to avoid sacrificing
6 efficiency?

7 WITNESS DEYELL: Mr. Goudge,
8 could I add a little something here that may have some
9 bearing on this? I believe that insofar as the rotation
10 system is concerned, that it would work with the non-
11 skilled labour but it would be very difficult to work
12 it with the skilled labour. That as far as the skilled
13 labour is concerned, once they're on a project, that
14 the efficiency would suffer considerably if you tried
15 to rotate them, but insofar as the non-skill labour,
16 you can pick almost any time frame that you wish, that
17 would fit in with the desires of the people that live
18 in the community. That it should not really disrupt the
19 efficiency.

20 Q So, with the non-skill
21 labour, you would be prepared to see a system that
22 simply ensured people on the job regardless of minimum
23 time?

24 A Yes, that's correct.

25 WITNESS BURRELL: When we made
26 this statement, we weren't dealing with the southern
27 situation.

28 Q No, I understand that.

29 A In line with what Mr.
30 Deyell was saying, we were more concerned with the effect

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1
2 on the community itself and this is why we were -- this
3 was why this statement was made.

4 Q Now, I take it it would
5 be part -- sorry I didn't -- I take it it would be part
6 of any rotation system that the company would pay the
7 transportation cost in and out of the community?

8 A I think that would be
9 reasonable. Here again, providing it wasn't every
10 second day. It would have to be a reasonable length
11 of time as we were saying before.

12 Q Mr. Burrell, moving on
13 to page 6 of your evidence, you say at the top of that
14 page that Foothills will, by contractual obligations,
15 assure itself that its contractors and its subcontractors
16 operate in compliance with the necessary conditions.
17 I take it you contemplate by that, contractual relations
18 that provide for penalty clauses or termination provisions
19 if the requisite conditions are not met?
20
21
22
23
24
25
26
27
28
29
30

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1
2 A Yes and that if we were
3 hiring sub-contractors from the south for instance
4 that we would require that they arrange to get their
5 people from the south -- the southern peoples through
6 the hiring halls and so on rather than trying to hire
7 people in the north or encouraging people to come
8 north and hiring southerners in the north. They would
9 want to have the hiring of southerners done through
10 the south.

11 Q Now one of the matters
12 that you will be policing in this way is the northern
13 preference policy I take it?

14 A Yes.

15 Q Would you agree that one
16 of the characteristics of a northern preference policy
17 that is essential in order to police it is that there
18 be some measurements standard that your company can use
19 to determine whether northern preference is actually
20 being observed by your contractors?

21 A Yes. I think that any
22 program to determine the success has to have some
23 measurement standard. Yes.

24 Q Let me ask you in that
25 context whether you see any merit in quotas -- in a
26 quota system --

27 A I personally --

28 Q -- as a standard by
29 which you can enforce a northern preference hiring
30 policy?

A Well, I think that a quota

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 system is a very easy way to do it. You can put numbers
2 against the situation and say that the situation is being
3 met. But I think in actuality, that the quota system
4 is really not the way to go. It means that the company
5 instead of perhaps doing its best effort is trying to
6 meet numbers and are just hiring people and putting them
7 into slots that otherwise they should not be in or
8 are not qualified or whatever. I really think that the
9 quota system would be the wrong measure.

10 Q No doubt though that the
11 quota system is easy to police?

12 A It is very easy to police.
13 But I don't know whether that should be the criteria
14 for determining whether the program is successful or not.

15 Q Well let me ask you how
16 without a quota system your company would be able to
17 police the northern preference hiring policy you seek to
18 have your contractors use?

19 A First of all, I think the
20 importance to northern hiring policy be the procedure
21 itself be understood and agreed to by all the parties
22 concerned. Then it is a case of determining whether the
23 policy itself or the procedure itself, the company is
24 making the best effort. Now that is a very difficult
25 thing in many cases to evaluate. But really, I think
26 it's the intent of the program, it's the important
27 thing, the effort that the company is making and not
28 really how many people you are putting into the project
29 which a quota system measures.

30 For instance, it may very well

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 be that when the opportunities for jobs are made
2 available that very few people will want to take the jobs
3 But those that do are given every opportunity. I think
4 that is important. But if we had a quota system, and
5 very few people were interested in taking jobs then the
6 company would be in the very difficult position would
7 have to go out and basically have people just -- just
8 take people and put them where they could and hide them
9 in corners so to speak in order to meet a quota system
10 which I think is wrong.

11 Q Yes, I understand your
12 objections to the quota system from that point of view.
13 My concern is to get your thoughts on how you as a
14 company or any regulatory agency can effectively police
15 a northern hiring preference policy without some measure-
16 ment standard like the quota system?

17 A Well, in our --

18 WITNESS ELLWOOD: I've given
19 this some thought Mr. Goudge and discussed it with
20 various people in Manpower and training programs. It
21 seems to me that the appropriate measure to use here is
22 to relate the number of positions filled by northerners
23 against the number of applicants from the north.

24 Q Could you explain that?
25 Do you mean by that that if you have 100% of your
26 northern applicants given positions, your contractor is
27 doing perfectly?

28 A Yes. He can't do any
29 better. That is fairly obvious. Well, that seems to
30 me to be the appropriate measure. If we are successful

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 with northern hire that you should gauge that success
2 by looking at how many people that we are able to place
3 in relation to how many applied. Not in relation to
4 how many southerners we hire. That doesn't seem to me
5 to be an appropriate measure.
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

Q And have you given any thought to where the line should be drawn? That is what kind of requirement you would put on your contractors? Would they have to hire all those who applied, some or--

A We haven't given any thought to whether it ought to be 50% or 100% because we're of the opinion that all who apply will be able to get a job.

WITNESS BURRELL: I was going to say, too, if you look at our delivery system that we've set out that we suggest that there should be a detailed advance information system provided to make people aware of the opportunities that are available and then the northerner shows an interest as to whether he wants to take employment on the pipeline, and this is a point, I think, ties in with what Mr. Ellwood was just saying.

Q Coming back to Mr. Ellwood's scheme, Mr. Ellwood, would you envisage that the onus would be on the contractor to show why he was not able to hire a northern applicant? Is that a fair onus to put upon him?

WITNESS ELLWOOD: Yes. I was just thinking in relation of how we might police this as a company. That's the question we would put to him: "Why didn't you?" The onus would be on him to show us that in fact he could not or had some other reasoning for not hiring a northerner.

Q Mr. Burrell, the next question that you responded to in your evidence in chief

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 dealt with on page 6 dealt with the definition of a
3 northerner.

4 WITNESS BURRELL: Yes.

5 Q The definition you give,
6 I take it, is your best view as to the definition which
7 minimizes social disruption. Is that correct?

8 A It's the definition that
9 we've used to define the northerner who would qualify,
10 if you wish, for this northern preference hiring.

11 Q And while I understand you
12 to say that in that context the definition of "northerner"
13 would have to be generally agreed upon --

14 A No doubt about that.

15 Q -- this is your view of
16 what it should be in the best of all worlds.

17 A We agree this is a reason-
18 able definition, yes.

19 Q You've really, as I under-
20 stand the definition, created two sub-classes within your
21 class of northerners -- natives, on the one hand, and
22 the others who are resident on permit date.

23 A Yes. We directed our
24 program to northerner. We've been referring to it as
25 "northern preferential hire."

26 Q In the context of a northern
27 hiring preference policy, do you see any possible diffi-
28 culty with the creation of these two sub-classes in this
29 sense, that the sub-classes will effectively be competing
30 with each other for the preferred jobs, for the jobs

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1 given through the preference system?

2 A Not necessarily. We believe
3 there will be enough jobs that anybody that is interested
4 in the north in getting employment will have that
5 opportunity and I think you have to look at more than
6 just the pipeline; I think you have to look at the
7 associated development of gas plant and exploration and
8 development work, and you have to look at the integrated
9 system together and on that basis we're confident that
10 anyone in that north that applies for a job will be able
11 to get a job in construction.

12 Q Well, let me put it to you
13 if
14 this way. Would you agree that/your class of northerners
15 included only natives, that natives would stand a better
16 chance of benefitting from your northern preference
17 policy than with the definition you offer?

18 A No, I think under the
19 definition that we have that natives would have an equal
20 opportunity for employment as compared to just native in
21 our definition.

22 Q One other problem that
23 I'd like to put to you about this definition is whether
24 because of its residence provision -- that is the
25 provision which dates only from the permit date -- it
26 would encourage speculators, if you will, to come north
27 immediately prior to any apparent permit granting?

28 A I suppose that possibility
29 exists, yes.

30 Q And there's no doubt that
31 if the resident date were put back before the permit date

ANNEX 2, B.C.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 in time, that possibility is reduced.

3 A It would make it more
4 restrictive, yes.

5 Q Do you see any difficulty
6 with putting it back in time beyond the permit date?

7 A Not really. I think it's
8 a case of having a definition that each of the groups
9 that are involved can agree to and understand so that
10 we're all working on the same basis as to what a
11 northerner is for purposes of hiring policy.

12 Q Why did you choose the
13 permit date as opposed to five years before the permit
14 date, for example?

15 A It seemed to us to be a
16 reasonable time, and something that we could work to,
17 and still meet the requirements of the policies that
18 we're putting forward.

19

20

21

22

23

24

25

26

27

28

29

30

There are a number of people
that will have lived in the Territories three or four
years prior to the permit being issued. That would
restrict them from this preferential hiring. We thought
that this particular date was reasonable to include those
people too.

9 WITNESS DEYELL: I am sorry.

10 I don't know what it is at the present time. I know what
11 it was when we first started but I don't think it is the
12 same now. I believe when we first started the Nortran
13 program that we had a three year limitation that you had
14 to have lived in the north for a minimum of three years
15 to be considered to be a northerner. But I don't know
16 what it is now.

17 Q What was your thinking at
18 that time Mr. Devell about that date?

19 A Well, it was somewhat along
20 the lines of just what you are talking about now that it
21 would prevent those people who were taking advantage of
22 something on the spur of the moment rather than somebody
23 who had lived here and had the real interest of living
24 in the north in the long term.

25 WITNESS BURRELL: I have the
26 definition here.

27 Q What does it say then
28 Mr. Burrell on the subject of residency?

29 A For the purpose of the
30 Nostram Program -- maybe this is the point that we are

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 trying to make that Nortran and the Federal Government
2 and the N.W.T. Government all use a different definition.
3 It's for this reason we feel it is extremely important
4 that each of the parties understand what a northerner
5 is and we are consistent.

6 But in the Nortran definition
7 a northerner is defined as anyone with four years
8 residency. North is defined as the 25th base line and
9 up.

10 Q Well they have basically
11 a four year residency requirement?

12 A For the purpose of the
13 Nortran Program, yes.

14 Q So I take it Mr. Deyell
15 it is fair to say that the residency requirement is
16 more stringent now than it was when the program began?

17 A Yes, it is.

18 Q Do you know why it was
19 made more stringent?

20 WITNESS DEYELL: Well I think
21 they had the same thing in mind. Why they changed it
22 by one year, I really don't know and I don't really
23 think the one year is that significant. Why they
24 changed it, I really don't know.

25 Q Mr. Burrell, I take it
26 that you see no social disadvantage flowing from your
27 definition as opposed to the Nortran definition?

28 WITNESS BURRELL: I can't
29 think of any right now.

30 Q Now Mr. Burrell, you say

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 something about training programs later on in your
2 evidence. Let me ask you whether you, in making those
3 comments were envisaging any kind of institutional
4 training ^{programs} as opposed to on-the-job training programs?
5 Has your company given any thought to institutional
6 training programs as a way of raising skill levels in the
7 north?

8 A Well I think that in our
9 delivery system, we dealt with a number of possibilities
10 where training could be provided. I think the
11 secretarial work that we spoke of here would fit into
12 the category that you are speaking of. People that
13 were interested in pursuing perhaps trades other than
14 on the pipeline or perhaps wanting to get into apprentice-
15 ship programs perhaps could go to NAIT or SAIT.

16 As far as the jobs that are
17 on the pipeline spreads, we saw that as on-the-job
18 training or perhaps as is done in Alaska where they
19 would set up a special training school to provide the
20 people with upgrading their skills. For instance, a
21 cat operator or a grader operator on a road certainly
22 is qualified to do that work but is not familiar with
23 the pipeline work. Perhaps some specialized training at
24 AVTC or some other similar arrangement could upgrade him
25 to the point where he would be working and familiar
26 with the procedures that occur on the pipeline.

27 Q Yes. In Alaska, there is
28 institutional training or training schools that are run
29 by government, run by trade unions, run by contractors.

30 A Yes.

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 WITNESS DEYELL: Mr. Goudge,
2 if I could add to that, we make use of those kind of
3 schools in Alberta to the extent they available. It
4 would be the policy insofar as our company is concerned
5 that that would extend to the north as well.

6 Q Do you have any views
7 either of your gentlemen, as to the workability of
8 training schools or institutional training when it is
9 run by government as opposed to trade unions as opposed
10 to contractors? Which of those works best?

11 A Well, I don't think it
12 really matters as long as there is input from industry
13 to ensure that the type of program is structured along
14 the lines that are really necessary for the final
15 occupation that this trainee is going to be involved in.

16 Q Now, in terms of input
17 from your company into such training programs -- such
18 institutional training programs -- I take it there would
19 have to be a willingness to participate in terms of
20 financing of such programs in terms of personnel to
21 assist in the teaching in such programs, in terms of
22 equipment to be used in such programs. Would you agree
23 with those three things?

1
2 A Yes I would. This has
3 been done in Alberta in the past and I see know reason
4 why it can't be done here as well. It is still done
5 in Alberta when the need arises for it.

6 Q I take it, Mr. Deyell,
7 that your company or Alberta Gas Trunk participates in
8 these training programmes in Alberta in the ways I've
9 outlined, through financing, through personnel and
10 through equipment?

11 A Yes. We had done some
12 of this in the past.

13 Q Mr. MacLeod, let me come
14 to you if I can for a moment please, and with some
15 trepidation let me ask you to turn beyong your prepared
16 text to the tables at the back of your paper. I'd like
17 to get from you very briefly, if I can, just for the
18 purposes of my understanding just how you went about
19 preparing your tables so that I can see the assumptions
20 that you work from in creating your estimates of secondary
21 employment and the degree to which that would be filled
22 by northerners and outsiders. Could you turn please to
23 table five?

24 WITNESS MacLEOD: Yes .

25 Q That table, I take it,
26 is one of your three sub-regional tables?

27 A That's right.

28 Q Dealing with the Mackenzie
29 region, and this one in particular is which one? It's
30 the delta I take it.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1
2 A The delta, yes.

3 Q Now, let me just go
4 through it with you briefly if I can to see if I under-
5 stand it. The first line on your table deals with
6 total sub-regional labour availability and I take it
7 those figures you get by simply taking the Hire North
8 figures plus the Nortran figures and prorating those
9 figures over the delta regions population and then
10 escalating the resulting figure by your 4.5 percent
11 growth figure?

12 A Yes, that's right.

13 Q The next set of numbers
14 in your table relate to the increases in employment
15 produced by the hydrocarbon industry, is that correct?

16 A Yes.

17 Q And perhaps you could
18 tell us where you get your figures for the four sub-
19 categories or the three sub-categories there, pipeline
20 operation and maintenance, secondly, gas plants operation
21 and thirdly, field development. Where do you get your
22 numbers for each of those lines?

23 A Okay, the pipeline operation
24 and maintenance figures come from the Foothills application,
25 the gas plants O & M positions come from producers
26 evidence presented in Inuvik last winter. The field
27 development figures come from producers and discussions
28 I've had with one of the producers in particular.

29 Q Which one?

30 A Which one?

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Q Yes.

A Imperial Oil.

Q And you use those three
sub-figures to get your total.

A Yes.

Q Now, you then move on
to what I'm interested in and these are your secondary
employment effects due to the incremental hydrocarbon
employment, is that so?

A Yes.

Q Now, let's perhaps deal,
because I think you said it's easier, with government
secondary employment before we deal with private secondary
employment. So, would you move to the block of figures
that's headed "Government Secondary Employment"?

To begin with, you have five
numbers, 0.00, .25, .50, .75 and 1.00. Those, as I
understand it from your evidence are your residency
options as you've called it?

A Yes.

Q And if I understand it
correctly, the first number I read assumes that all of
the non-resident new jobs, new job holders, will be
commuters?

A Only in the field develop-
ment sector.

Q All these five assumptions,
these five residency assumptions apply only to field
development?

Burcell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1
2
3 A That's correct. In other
4 words, personnel originating from the outside to hold
5 secondary employment and O & M positions would be expected
6 to reside in the impact region.

7 Q Yes. Now, moving to the
8 first number in your block of numbers, under 1977,
9 the 0 residency option provides you with 43 government
10 jobs.

11 A Yes.

12 Q Is that correct?

13 A Yes.

14 Q Now, could you explain
15 how you get that number, 43?

16 A At one point in my
17 evidence I mentioned, I believe, that there were four
18 variables, four co-efficients which I've used. I was
19 interested in measuring the impact on employment in
20 the local and public and private sectors of 'longstanding
21 northern residents who where previously unemployed and
22 which have received pipeline related employment. The
23 second group of people would be the outsiders moving into
24 the region for the first time and the third group would
25 be the transient labour and the fourth variable related
26 to the overall hydrocarbon activity going on in the
27 delta.
28
29
30

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1 Q To begin with, in deriving
2 the 43
3 you assume 405 new field development jobs.

4 A Yes.

5 Q And you assume that of
6 those 405, a certain number will be filled by non-
7 northerners.

8 A That's right.

9 Q And all those will be
10 commuters, will not be northern residents.

11 A No, that's not correct.

12 Q Well, will move into the
13 north.

14 A What I'm saying there is
15 that if you have 405 jobs, 257 local residents; however,
16 if you move onto the following page you find that only
17 114 of those local residents are in a position to accept
18 those 405 jobs.

19 Q I understand that.

20 A So the shortfall has to
21 be made up by people originating from the outside.

22 Q Yes, and of that shortfall --

23 A That shortfall is 395.

24 Q -- yes, none of those
25 people for the purposes of your No. 43, none of those
26 people will move into the north because it's a zero
27 residency option.

28 A That conclusion is correct
29 but the reasoning -- there's a problem with the reasoning
30 there. That residency option only applies to personnel
working in the field development sector.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1

2

Q Right.

3

A Now your conclusion is

4

correct for 1977, because there are no operations and
maintenance positions.

5

6

Q Right.

7

A But you could not use the

8

same reasoning for later years when there are O. and M.
positions.

9

10

Q Yes. Sorry, now how

11

do you get from those set of assumptions to your proposi-
tion that 43 new government jobs will be created?

12

13

A In the appendix you have

14

a listing of my co-efficients. That should be at the end
of the tables.

15

16

Q Yes.

17

A So what I have done to

18

determine the secondary employment in the government

19

sector is to multiply those co-efficients applicable to

20

each group of people which would be receiving employment

21

and summing the total. For example, I take the number of

22

northerners who can take positions in 1977. That number
was 114.

23

24

Q 114 is --

25

A Under the lowest option.

26

Q 114 is the figure that

27

appears opposite the zero residency option on page 2 of
Table 5.

28

29

A Right.

30

Q 1977.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 A So then I say that these
3 114 people are going to go out and spend their incomes
4 locally; but there's a high leakage factor in the area,
5 something in the order of 60%.

6 Q Stopping you there, that
7 means that 60% of every dollar they spend is spend on an
8 import to the north?

9 A Yes.

10 Q Yes.

11 A There's 40% that stay in
12 the north, 40% of every dollar. That 40% has to be split
13 between the public and private sectors. In the N.W.T.,
14 I'm assuming ^{not} just the N.W.T., in the pipeline corridor
15 this split between public and private employment
16 is one-third private and two-thirds public. So I'm saying
17 of that 40%, one-third of that is going to go into the
18 public sector and two-thirds will go into the private
19 sector. That's how I derived the co-efficients, C-1,
20 C-2, D-1 and D-2, which appear in the appendix.

21 Getting back to my equation, I
22 take those 114 people and I multiply times the rele-
23 vant co-efficients which are C-1 and C-2, and the sum of
24 those co-efficients which according to my table 8 are
25 .101 and .018, and that gives me the effect of the
26 employment of previously unemployed northerners on the
27 demand for goods and services in public and private
28 sectors in the north.

29 Q And out of that you break
30 the demand for public sector product and get your 43

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 additional government jobs required.

3 A Yes. I'm going through
4 this procedure not only for the previously unemployed
5 northerners but also for new arrivals into the area and
6 for transients, and have an add-on factor which takes
7 into consideration other expenditures of the hydrocarbon
8 industry.

9 Q Now --
10 A So you have one equation
11 to determine the total secondary employment and we have
12 just gone through an equation to determine the govern-
13 ment secondary employment, the difference between the
14 two gives you the private secondary employment.

15 Q I see; and then you
16 simply add the total secondary employment figure to your
17 hydrocarbon increased employment to get the total -- what
18 you call a total incremental employment.

19 A Yes.

20 Q Your table then goes on,
21 as I understand it, to take those total added jobs for
22 the region and assign them to northerners and outsiders.

23 A Yes.

24 Q And perhaps you could
25 describe how you do that.

26 A This assignment is based
27 upon two criteria. First is the relative availability
28 of employment in field development and the secondary
29 sectors, and it's also a function of skill levels, and
30 you'll also notice in my final page in the appendix there

BURNABY 2, B.C.

Burrell, Jensen, Ellwood
MacLeod, Deyell
 Cross-Exam by Goudge

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

that I give these skill levels for the four categories
 of employment. So I started off by assigning pipeline
 employment with operations and gas plant operations
 employment based on the skill levels of the people, and
 these skill levels were based on Nortran enrollments
 and projected enrollments.

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1 Q Yes. Perhaps we could
2 just go to your Appendix which you have titled "Table 13".
3 Your first line is headed "Pipeline Operations and
4 Maintenance". The first figure is ".21" under "1975".

5 A Yes --

6 Q First of all, you get that
7 figure from Nortran?

8 A Yes.

9 Q What does that figure mean?

10 A That indicates that 21%
11 of the peak level pipeline O & M positions could be
12 held by Nortran trainees -- by northerners.

13 Q If you take the last
14 figure in that line "1985", Nortran says that by that
15 date, 70% of the O & M jobs will be fillable by Nortran
16 people.

17 A Nortran is not saying that.
18 That is what I am saying. I am saying I've got
19 Nortran trainees plus company trainees that might be
20 hired on the spot. Together they could take up 70% of
21 the positions.

22 Q Similarly, your figures
23 for gas plant operation and maintenance, where do they
24 come from in Table 13?

25 A They were derived in the
26 same way.

27 Q From Nortran?

28 A Based on Nortran, yes.

29 Q Yes. Field development?

30 A That was also a function

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1 of Nortran data.

2 Q Secondary employment?

3 A Secondary employment --
4 that was based upon personal observation; primarily
5 surveys I have conducted with employers in the pipeline
6 corridor.

7 Q So to take secondary
8 employment in 1985, your personal observations lead you
9 to the conclusion that by that date, 50% of the new
10 secondary employment jobs can be filled by northerners

11 A Yes.

12 Q Based on --

13 MR. HOLLINGWORTH: He said it's
14 more than personal observation. He also said he had
15 made studies.

16 MR. GOUDGE: What studies
17 are you referring to?

18 A Well, I worked on a study
19 for the Chamber of Commerce last year which was an
20 assessment of local business capabilities and we had
21 many questions dealing with the manpower area -- the
22 origin of employees and so on.

23 Q And you took from that
24 certain conclusions about the training capability in
25 northern business?

26 A Well, that 20% I started
27 off with is not really based on the training capability.
28 It was more on the actual use. It appeared at 20% of
29 the existing personnel at the time.

30 Q Yes. That is your 1975

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1 figure?

2 A Yes.

3 Q Over the following ten
4 years, I take it you must build in your own views about
5 the training capability of northern business?

6 A Not only of northern
7 business but of the AVTC and of the school system in
8 general.

9 Q Right. Right and it is
10 with those assumptions that you realize your .50 figure
11 for secondary employment in 1985?

12 A That's correct.

13 Q So you take those skill
14 coefficients if I may call them that and could you
15 perhaps go back to Table 5 and indicate how you used those
16 to determine the number of total incremental employment
17 positions to be filled by local residents and the number
18 to be filled by outsiders?

19 A O.K. In 1978, we have the
20 first O & M positions open. There are seven. For 1978,
21 the skill coefficient is .3. So .3 of 7 gives you
22 roughly two positions which could be held by local
23 residents.

24 Q You go through a similar
25 calculation for gas plant operations, field development
26 using your five residency options and secondary employment
27 using your five residency options?

28 A Subject to qualification.
29 When I get into field development and secondary employment,
30 I take into consideration not only skill levels but the

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1 relative availability of employment in those two
2 categories of employment.

3 Q Field development and
4 secondary employment?

5 A Yes.

6 Q Yes.

7 A Because if it were just
8 based on skill, we would have an excessive number of
9 people involved in secondary employment.

10 Q You have to split those
11 people between the two categories?

12 A Yes.

13 Q Now, you go through
14 calculations on the next page of your table relating
15 to the filling of these jobs by non-northerners and
16 the manpower shortage -- well, the manpower shortage
17 created and the filling of these jobs therefore by
18 non-northerners and transients. Is that correct?

19 A Yes.

20 Q That is simply a matter
21 of adding and subtracting basically?

22 A Yes, it is.

23 Q From that, you derive your
24 in-migrant figures if I can call them that -- your
25 resulting population increase?

26 A Yes.

27 Q Having got the number of
28 jobs that you say in each category will be filled by
29 non-northerners on your various assumptions, you
30 multiplied by 2.5 to get the resulting population increase?

Burrell, Jensen, Ellwood
Deyell, MacLeod
Cross-Exam by Goudge

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

A Yes.

Q 2.5 is the multiplier you
simply take from Gemini North?

A Yes.

Q Where did they get it?
Do you know?

A I think it was based on
field work that they had done.

Q Field work designed to
reveal the number of people that actually come with an
in-migrant in practise?

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1
2 A Prior to the 1971 census
3 they tried to put together population estimates for
4 the Mackenzie district and they did this by means of a
5 door to door survey. I think this was the basis for
6 this estimate.

7 Q Mr. Trusty, in giving
8 evidence here used a multiplier, if I can call it that,
9 for population increase of 3.5 rather than 2.5, based,
10 as I understood him, on the theory that when a job
11 holder comes north, he brings with him a wife and one
12 and a half children.

13 A What I'm saying is that
14 they bring a wife and half child, -- one half child.

15 Our study was done just for
16 the city of Yellowknife and I think their figure was
17 2.7 as opposed to my 2.5, but that 2.7 applies to the
18 existing population in addition to the recent arrivals.
19 My 2.5 applies only to newcomers. So if you're con-
20 sidering your original base, you're also including
21 long-term residents who can be expected to have larger
22 families than people who just arrived.

23 Q Yes. Now, Mr. MacLeod,
24 having gone through that with you, and having got some
25 of your assumptions clear, I wonder if I could ask you
26 if you would be good enough, through Mr. Hollingworth,
27 to at least let us have access to your computer book
28 there should we require it? Would that be a problem?

29 A Well, it's in an incom-
30 prehensible form.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

Q I'm only too well aware
of that.

A Well, it's written in
FORTRAN with a few comment cards in French.

Q Was that on purpose?

A There are 250 variables
which are not listed anywhere.

Q Well, if you would be
good enough to let us have access.

THE COMMISSIONER: I think
Mr. Goudge will have no difficulty with it.

MR. HOLLINGWORTH: Could I
have a moment please?

Mr. MacLeod tells me we can
certainly produce the book but it's worthless in its
present form. The variables aren't listed there. He'd
have to scrounge around for a long time, probably upwards
of a month to get back with a list of all those variables
and even then it's questionable what use it's going to
be to Mr. Goudge.

MR. GOUDGE: Well, possibly
but that's why Mr. Commissioner, if we have any questions
that want further elaboration of the variables that
Mr. MacLeod used, and I'm sure my friend will co-operate
with us in responding to requests.

MR. HOLLINGWORTH: Well, that
makes more sense.

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1 THE COMMISSIONER: All right.

2 Well, let's leave it at that and you might speak
3 to Mr. MacLeod at the coffee break, which we'll reach
4 as soon as you've completed your cross-examination.

5 MR. GOUDGE: This is the
6 carrot stick approach.

7 THE COMMISSIONER: So, there's
8 no direction that anything be produced and we'll just
9 leave it at that.

10 MR. GOUDGE: No, I'm content
11 with that. Mr. MacLeod, one last question of you,
12 you say on page 22 of your evidence in chief, turning
13 back to that, question 35, that you had two reasons
14 for not making any secondary employment estimates for
15 the construction phase, the first was that that phase
16 is, in your view, likely to be relatively short.

17 A Yes.

18 Q Were looping a likelihood,
19 I take it you might well think it worthwhile to make
20 secondary employment estimates for construction of
21 pipelines.

22 A But no looping is anticipated.

23 Q Well, I understand you're
24 view on that. The second reason you give, is, as you
25 put it, the capacity of northern work force and business
26 community to benefit from induced economic effects may
27 not differ substantially from one phase to the other.

28 Do you mean by that that it's
29 your best estimate that the secondary employment
30 produced in the construction phase will be roughly the

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1 same as what you've documented for the operations phase?

2 A No, not at all. Secondary
3 opportunities will be much greater in the construction
4 phase, but the capacity of the local economy to take
5 advantage of these much more numerous opportunities
6 will not be much greater in the construction phase than
7 in the operations phase.

8 Q I take it the conclusion
9 from that is that the in-migration in the construction
10 phase is likely to be much greater?

11 A No, I do not come to
12 that conclusion. We talk about-- various people have
13 spoken about a multiplier something in the area of 1.5
14 in the Territories. What I would say is that -- I'd
15 say the overall multiplier effects of the entire project
16 throughout the world might be somewhere between 7 and 10
17 and how much of that secondary spin-off do you want to
18 keep in the Territories? It could be greatly expanded
19 if you decide to put a pipe manufacturing facility in
20 Hay River but we're not going to do that. I don't think
21 there's any attention being given to that.

22 So, by excluding that possibility,
23 you're directing some of these spin-off effects to
24 other parts of the world, outside of the corridor.

25 Q So, I take it your
26 second reason comes down to this, that the northern
27 economy and the northern work force have a relatively
28 constant capability to benefit from secondary employment?

29 A Yes.

30 Q And it will be much the

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1
2 same in the construction phase as you estimate it to be
3 in the operations phase?

4 A That's right. There's
5 very little local manufacture, so most of the local
6 content in Territorial production, say gross Territorial
7 product, comes in the form of labour, whether it be
8 management or any other kind of labour.

9 Q Yes. You would agree
10 though, that if there is going to be much greater
11 secondary employment generated in the construction phase
12 than in the operations phase?

13 A Yes.

14 Q The shortfall between
15 the demand required, the number of jobs that need to
16 be filled and the capacity to fill them in the north,
17 will be greater in the construction phase than in the
18 operations phase?

19 A Yes.

20 Q And doesn't that lead
21 inevitably to the greater in-migration conclusion I
22 recited?

23 A But that shortfall does
24 not have to be met in the Territories. It can be met
25 somewhere else. You leave your pipeline -- you leave
26 your pipe manufacturing facilities in the south and that's
27 part of this disparity that will be met in the south,
28 not in the north.

29 Now, some of this shortfall
30 can be handled in the south, it doesn't have to be done

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Goudge

1
2 in the north.

3 MR. HOLLINGWORTH: Maybe you could help
4 me out here, Mr. Goudge, I always assumed in-migration
5 to mean someone coming in to stay rather than someone
6 coming in to work for a while and then go out. Perhaps
7 you could let us know what your definition is so that --

8 MR. GOUDGE: Well, I was using
9 in-migration -- I was assuming an in-migrant, for your
10 assistance, Mr. MacLeod, to be a person who came in to
11 fill a secondary job created by the construction phase.

12 A Yes, I would go along
13 with that. That a person who comes in from outside to
14 work in a camp for three weeks then go back out, he
15 would not be an in-migrant.

16 Q No, I understand.

17 Finally Mr. Burrell, a couple
18 of questions for you again. You speak at some length,
19 beginning I think at page 49 of your evidence; about
20 delivery systems.
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

WITNESS BURRELL: Yes.

Q And you say at the bottom of page 49 that it's your opinion that a single group should take the responsibility for the overall operation.

A Yes.

Q I take it that group would either be your company or the government, or a native organization, or a third party contractor.

A We've looked at this on a two-tier delivery system in a sense. If you perhaps turn to the framework that's shown on page 85, we think there is advantages in having a delivery system that's available to do more than just provide manpower for the pipeline-associated developments, something that would be useful on an ongoing basis. It seems to us that the advance information in the initial scheme and the northern interest section of it could very well be handled by the government departments that are presently set up to provide such a function, and that would ensure an ongoing process which we believe, as I said before, is important.

But then as you get into the -- below the initial screening as we show on our framework here, we get into basically what is a project-oriented delivery portion of that delivery system, and we think that perhaps from there down could be handled on a project basis. It seems to us that as an example for the pipeline side of it that the joint Canadian Pipeline Advisory Committee might be a suitable group to head up that portion of it.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 Q Rather than you or the
3 general contractor constructing a specific segment of
4 the line?

5 A At this point in time that
6 split that I'm talking about seems reasonable. Now --

7 Q Why do you say that?

8 A Why does it --

9 Q Why would you choose the
10 Pipeline Advisory Council rather than your organization?

11 A Oh, I think in Mr. Kosten's
12 evidence he refers to the need to have the Pipeline
13 Advisory Committee working on behalf of Foothills to
14 develop the project agreement, and it seems to me that
15 this would be a very appropriate arrangement to --
16 appropriate item to include in that arrangement.

17 Q Because that committee will
18 have to build in this delivery system to their
19 collective agreement. Is that really what you're saying?

20 A In my opinion the manpower
21 delivery system, the framework, how it's going to work
22 and so on would be an important ingredient in the project
23 agreement. Now we talk about the pipeline side of it.
24 As you get into the building trades, some similar arrange-
25 ment could be worked on that side too.

26 Q Where?

27 A Where it involves people
28 being assigned to work in the building trades.

29 Q Now, going back a step,
30 I take it it's your view that this system operated by

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 whomever, ought to work for all development projects
3 taking place in the north, not simply for the pipeline.

4 A Certainly until the delivery
5 of people, the system gets established; but as I was
6 saying before, the first three steps that we have out-
7 lined in this framework could very nicely be handled
8 by the government departments that are set up to do
9 that and that the first three steps are something that
10 would have to be done regardless of what the development
11 project is. Once you get below that, when people are
12 assigned to, say, various phases of a project, then that
13 portion of it should, in my opinion, be set up specifi-
14 cally for the project itself. But it would be unfortunate,
15 I think, to have set up a program on a one-shot deal,
16 so to speak, and not take advantages of it on an ongoing
17 basis.

18 Q One of the difficulties
19 with that surely is that other projects not served by
20 such a delivery system will soon find themselves lacking
21 in employees.

22 A Are you talking about a
23 development that is taking place at the same time as the
24 pipeline?

25 Q Yes.

26 A Well, then I was thinking
27 more of development that took place following the
28 pipeline; but certainly if there was a development
29 taking place at the same time as the pipeline, there
30 should be a consideration in this delivery system because

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 really the point is to provide employment opportunities
3 for northern people, and whether it's on a pipeline or
4 in a gas plant or other development, may not be that
5 important so long as the opportunities are provided for
6 gainful employment.

7 Q Yes, and at least that's
8 the higher levels of your process, the first three steps
9 that you referred to --

10 A Yes.

11 Q -- you'd have to encompass
12 all development going on at any one time to avoid simply
13 providing employees to the one project.

14 A Exactly, and that is how
15 this was structured. As you can see from the initial
16 screenings, if you look at 85, page 85 you see that
17 from initial screening that people are assigned to
18 various work areas and if there are other developments
19 going on at that time, there would be -- I would think
20 it would be very easy to add additional blocks, certainly.

21 Q Now, in your view who is
22 responsible for financing this scheme?

23 A Oh, I think we'd have to
24 -- that would be a matter, of course, for negotiation.
25 Certainly the applicant would have involvement in this.
26 Of course, you realize that Canada Manpower currently
27 puts funds forward for the training of northern people,
28 and there would have to be some agreement reached there.

29 Q Yes, basically between
30 the applicant and government?

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1 A That seems reasonable,
2 yes.

3 Q Now finally, Mr. Burrell,
4 you talk about northern business and the opportunities
5 your project will be designed to provide.

6 A Yes.

7 Q On page 73 you say that
8 in order to carry out your policy you'll purchase goods
9 and services from resident northern companies whenever
10 it's practical to do so. I take it that's your basic
11 corporate view on this subject.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 A Yes.

2 Q I take it as well that
3 you would acknowledge that there is certain local
4 inflationary risk built into that policy?

5 A I suppose there is, yes.

6 Q Well, it's true, is it
7 not --

8 A Yes.

9 Q -- that the fact that
10 you would anticipate purchasing goods and services from
11 resident northern companies wherever practical is
12 potentially an inflationary risk?

13 A Yes. I was going to use
14 the word "potential". Yes.

15 Q I wonder whether you've
16 given any thought to ways in which the inflationary
17 impact of this company policy can be monitored by your
18 company or by an outsider?

19 A Well I think one thing and
20 this really addressing the question that you
21 had -- but one thing I think that if you provide a
22 larger flow of goods and generally speaking the unit
23 cost of movement is lower. So in a sense I would think
24 that the pipeline could, to some degree, reduce the
25 transportation costs or in addition to that to provide
26 greater access.

27 Now, as far as the inflationary
28 trends are concerned, we would as a matter of policy tend
29 to work with the communities as I was saying yesterday
30 to be assured that the goods and services that are

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 required in the community are available to the community
2 on a first call basis and that any services or supplies
3 that are available above that, that is what we would
4 be looking at.

5 Q That avoids shortages for
6 the community. I take it that would be the aim of that
7 particular policy?

8 A Yes.

9 Q It may no avoid inflationary
10 pressures resulting from your purchasing from local
11 suppliers?

12 A Inflationary in the sense
13 are you saying that there is a greater demand for the
14 product and therefore the cost goes up?

15 I would think that if we could
16 -- and we will work toward this end -- be assured that
17 the goods and services are available for the community
18 on a first call basis, then it really takes away that
19 excess demand on those particular products. I think that's
20 an important way to go about it.

21 Q Mr. MacLeod, have you given
22 any thought to the problem of local inflation generated
23 by this kind of corporate policy?

24 WITNESS MacLEOD: I have looked
25 at the inflation question mainly from the point of view
26 of manpower.

27 Q Inflating wage rates?

28 A Yes. I also feel that
29 the increase in wage rates, that is purchasing power for the
30 local population would be greater than the rate of

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 increase in prices at the retail level so that --

2 Q So all those on increasing
3 wage rates would not be hurt by increasing price levels?

4 A It's on the contrary.
5 They would be much better off that at present.

6 Q Yes. What about those
7 who live in the Territory who are not on increasing wage
8 rates, who are on fixed incomes or fixed transfer payments?

9 A They would be disadvantaged.

10 Q Have you given any thought
11 to possible solutions to that problem?

12 A No I haven't. But I don't
13 think that the rate of price increase would be that
14 great.

15 Q But your reaction --

16 A Because the demand exerted
17 by the local northern economy is minimal considered to
18 the manufacturing facilities of the supply points in the
19 south.

20 Q What is your reaction to
21 indexing all fixed income payments in the north to deal
22 with local inflation?

23 A I think I would go along
24 with that.

25 Q You have no difficulty with
26 that?

27 A No, I don't.

28 Q Now, Mr. Burrell, finally
29 you say that in conjunction with this corporate policy
30 caution need be exercised to avoid overextension of local

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 business.

2 WITNESS BURRELL: Yes.

3 Q How do you propose that that
4 be achieved?

5 A I think quite reasonably --
6 I think it would be taking care of much in the sense of
7 financing any undertaking that a contractor might have as
8 an example because certainly when firms go to the bank
9 or in lending agencies to acquire the capital to invest
10 in equipment necessary to perform functions, one of the
11 important things are that the firm be able to make those
12 payments. That I would think would be a very good measure
13 of resolving the problem that you are talking about.

14 Q Well, do you simply rely
15 on lending institutions to ensure that

16 A No. That's one form --
17 one form I am saying. I get back to what we were saying
18 yesterday that one of the reasons we have established the
19 Business Opportunity Board of course is to give us advice
20 on that matter as to how it -- we could best satisfy this
21 concern.

22 Q Have they given you any
23 advice on that subject so far?

24 A They have a number of programs
25 underway and we haven't gotten from them anything definite
26 yet. But certainly those are a number of the -- it's
27 included in the number of the items which they should
28 have under study for us right now.

29 Q What is your reaction to
30 a scheme that regulates local business expansion and

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Goudge

1 perhaps puts ceilings on the rate of local business
2 expansion?

3 A You mean all encompassing?

4 Q Well, sector by sector.

5 A It could get quite -- I
6 think -- quite restrictive. One might have to look at
7 more than a finer breakdown than sector by sector. I
8 think that that could work but it might very very
9 restricted. Perhaps Mr. MacLeod might have some thoughts
10 on that.

11 Q Do you have any views on
12 that Mr. MacLeod?

13 WITNESS MacLEOD: Well, I don't
14 think that the applicant should adopt any paternalistic
15 role. One of the qualities of the good businessman
16 is to adapt to changing conditions. He is supposed to
17 be able to foresee his markets.

18 Q And if he gets overextended,
19 that's his problem?

20 A Right.

21 Q So I take it it would be
22 your view that there is no need to protect the local
23 businessman against the danger of overextension?

24 A No, I don't think there is
25 any need but I don't think he should be lured or given --
26 I don't think that prospects should be misrepresented as
27 to encourage him to overextend himself.
28
29
30

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 Q If you do that how do you
3 avoid that kind of misrepresentation?

4 A Well, if the construction
5 period is going to last three years, let's say from
6 start to finish, I think that should be clearly spelled
7 out, and that the applicant not imply that it might
8 go on for six, seven, or eight years. Something along
9 those lines to make sure that the prospects are not
10 over-magnified.

11 Q And in the face of full
12 information, if local businessmen choose to over-extend,
13 sobeit.

14 A Right.

15 Q Let me ask you this, Mr.
16 MacLeod. It's your view, as I understand it, that
17 businessmen need no protection against that kind of
18 thing. It may be, would you agree, that their present
19 customers need some kind of guarantee against having
20 him devote all his energies to pipeline-related business?

21 WITNESS MACLEOD:

22 A Yes, I would agree with
23 that.

24 Q How do you build in that
25 kind of protection?

26 A I would think that
27 possibly an organization like the Chamber of Commerce
28 could assume some kind of role, as I have attended the
29 occasional monthly meeting and usually if a regular
30 supplier to other businesses in the community does not
behave according to the wishes of his other regular

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1
2 clients, these issues are raised at Chamber of Commerce
3 meetings.

4 Q So some kind of at least
5 advisory body to deal with that issue needs to be in
6 place.

7 A Yes. I don't think you can
8 regulate it; but if I am a member of the Chamber of
9 Commerce and I have a business which required batteries,
10 and I have one regular supplier in town that supplies
11 batteries and all of a sudden he decides to sell it all
12 to a pipeline company, at the next Chamber of Commerce
13 meeting I'm going to complain about the way he's
14 treating his long-standing clientele. This does
15 in fact take place at Chamber of Commerce meetings from
16 time to time.

17 Q Do you think that would
18 work in the pipeline context? The moral suasion --

19 A Yes.

20 Q Counter-balancing the
21 profit motive?

22 A Well, it's pragmatic.

23 Q It works now?

24 A It works now. I don't
25 think it would solve all problems.

26 MR. GOUDGE: Thank you very
27 much. Those are all the questions I have of this panel.

28 WITNESS BURRELL: Can I add one
29 thing to that?

30 Q Certainly.

Burrell, Jensen, Ellwood
MacLeod, Deyell
Cross-Exam by Goudge

1 A I guess we haven't brought
2 it out, it is in the evidence but certainly we'll be
3 Preparing a bidders' list and the bidders' list will take
4 into consideration the capability of these various
5 contractors to do the work. It's no different than is
6 done in the south. So I think that in a way will over-
7 come the difficulty, to some degree, the difficulties
8 that you're talking about.

9 MR. GOUDGE: Thank you. Those
10 are all the questions I have.

11 THE COMMISSIONER: O.K., we'll
12 take a break for coffee then.

13 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: All right, ladies and gentlemen, let's return to our seats.

MR. HOLLINGWORTH: Mr. Commissioner, I think in his eagerness to start questioning, Mr. Goudge forgot that Mr. Bayly had a couple of questions that he had wanted to ask.

MR. BAYLY: Mr. Commissioner, I had deferred some questions and was informed by Mr. Hollingworth that there might be some, that could be answered by Mr. Burrell or other members of the panel on the manpower delivery system.

CROSS-EXAMINATION BY MR. BAYLY (CONTINUED)

I'm referring to page 50 of your direct evidence, with regard to the manpower delivery system.

WITNESS BURRELL: Yes.

Q You recommended that the delivery system operate quickly after the permit was issued. Have you thought of how much lead time would be necessary for the upgrading and training of northern people so they could participate in the construction work?

A You have to look at the various occupations. Certainly if the northerner was not a welder or a sideboom operation, special skills, I don't -- there wouldn't be sufficient time to train people in that area, but there are, for instance, dozer operators or so -- if they've had the experience they would only take, perhaps a short time to upgrade them. There are other skills -- there are other positions

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1 which would require little or any upgrading so it would
2 be a sliding situation depending upon the skill level
3 that the northerner had and the type of work that he was
4 going to go into.

5 Q All right. The delivery
6 system itself is to carry out the function of bringing
7 the needed workers to the job site and you have stated
8 at page 50 that it would carry out the functions -- it's
9 functions in the communities as much as possible. Can
10 you tell me whether this would involve hiring halls
11 in the communities?

12 A No.

13 Q Would the people be
14 dispatched directly from their home communities to
15 job locations?

16 A That would be the intent.
17 As we said in our evidence, we envision the hiring halls
18 to be in Vancouver or Edmonton and that the connection
19 with those hiring halls would be by telex to the communities
20 and they would be dispatched from the communities
21 through this telex system as we envision it.

22 Q Now, you wouldn't envisage
23 then, people from Paulatuk or Holman or Sachs Harbour
24 having to spend time in Inuvik, between the time that
25 they were called up from the job and the time that they
26 were sent out on it, if I can use that as an example?

27 A No, the intent, as
28 we set up this proposed framework, the intent was to
29 develop a system which would enable the northerners to
30 remain in their community as long as it was possible to

Burgell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1
2 do so and we see that as being up to the time at which
3 they are dispatched to the job.

4 Q All right, but with
5 regard to my actual question, will you be running this
6 system in such a way that they won't be spending a day
7 or two in the larger communities before being sent on
8 to the job sites or to the construction camps?

9 A The intent is that --
10 as envisaged, the intent is that they would go from
11 their home communities to the job site.

12 Q By direct flight then?

13 A An arrangement that's
14 quite similar to that, yes, yes.

15 Q Well, when you say
16 similar --

17 A Yes, okay.

18 Q Now, you're talking
19 about having telexs from the communities to the hiring
20 halls so that both can keep in touch with the needs
21 and the availability of people to fill the jobs.

22 A Yes.

23 Q Do you envisage telex
24 facilities in only the main centers or in centers as
25 small as Holman, Paulatuk, North Star Harbour, to name
26 three in the region?

27 A We've looked upon this
28 as providing telex facilities in the communities in
29 the impact area and then outside the impact area, the
30 need for a connection would be dictated by the interest

Buttall, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1
2 shown outside the impact area.

3 Q And with regard to a
4 48 hour dispatch system, which I understand is fairly
5 standard in these kinds of operations, how is that going
6 to work in the smaller communities, where you don't have
7 regular flights and where in some communities you don't
8 even have scheduled flights?

9 A I would think that under
10 certain circumstances there would be charter arrangements
11 made. Certainly you wouldn't be bringing one or two
12 people out at a time, but certainly there would be an
13 arrangement set up whereby a number of people could be
14 brought out at one particular time.

15 Q Would you then be in
16 a position of not going into a community to get people
17 to do the work unless there were sufficient number, to
18 justify it? If there were only two people who wanted
19 to do the work in Paulatuk, for example, would you
20 consider not going in there especially for them?

21 A We would make them aware,
22 the intent certainly, would be to make them aware of
23 the job opportunities that were available and the number
24 of say, two, in the number of people that are being
25 required on this construction programme, I see no
26 difficulty in bringing them out almost at any time and
27 fitting them into the construction programme.

28 Q All right, but you see
29 the problem, if somebody wants to work and you'd like
30 to take them to the job site, but you may make the

Burrell, Jensen, Ellwood,
Deyell, MacLeod
Cross-Exam by Bayly

1
2 decision that it isn't worth going in there just for
3 him, you would want a package, you would want a Gulf
4 Coppermine situation where you could go in and take out
5 a planeload of people. It would make sense from an
6 economic point of view.

7 A Mm-hm.

8 Q How far are you prepared
9 to go to accommodate yourself to those individuals who
10 want to do the work but who are in communities where
11 not a very large number of people want to do the work?

12 A Well, I think we'd have
13 to look at what was a reasonable expenditure to bring
14 people out and at this point in time, it seems that if
15 the cost of bringing people to the job site was tied
16 to perhaps the cost of transporting workers to Edmonton,
17 that seems to be -- at this point in time, would seem
18 to be a reasonable measure of how far we would go for
19 northerners outside the impact area.

20
21
22
23
24
25
26
27
28
29
30

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Bayly

1 Q That's how you would equate it then,
2 if it costs less than it costs to fly a worker in and
3 out from Edmonton, then they wouldn't be any problem.
4 If it costs more, then you would have to look to the
5 possibility of going in if there were sufficient workers
6 to justify it and bring the costs down to that level per
7 worker ?

8 A I think it would be a good
9 measure. Perhaps the government may elect to subsidize
10 the difference. I don't know. But I think the measure
11 that we have put forward here seems reasonable.

12 Q All right and has the
13 government approached you or have you approached the
14 government with regard to employment for specific
15 communities in which the government may want to encourage
16 employment?

17 A We haven't spoken in that
18 detail to the government representatives. But we
19 have certainly talked to them with regard to our manpower
20 delivery system and the structure that we've proposed.
21 The people that we've discussed it with are representatives
22 of both Manpower and DIAND and the N.W.T. Government
23 representatives too. They thought that the approach that
24 we were using was quite reasonable.

25 Q Now, you've stated on page
26 50 again that you would try to utilize the services
27 available from existing sources as much as possible.

28 A Yes.

29 Q I assume that involves
30 Manpower, Social Development and the agencies you've just

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Bayly

1 referred to in the answer to the last question.

2 A Yes. It doesn't seem
3 practical to duplicate services that already exist.

4 Q With regard to the utiliza-
5 tion of these services, have you discussed whether you
6 will be sharing the cost of expansion necessary to utilize
7 the services or would you see that as a government
8 responsibility?

9 A In discussing this with the
10 representatives of the government, we've dealt on who
11 would have responsibility for doing certain phases and
12 so on. There was not commitment on their part at this
13 point in time.

14 Q Now, in order for the
15 system to work that joins the smaller communities to the
16 hiring halls by telex, it might involve putting in
17 telex into smaller communities where it doesn't now
18 exist.

19 A Yes, that's a possibility.

20 Q Would that be a company
21 telex? Would you be putting it in yourselves or would
22 you see that as a function for government or somebody else?

23 A Well I believe the structure
24 this manpower delivery framework -- that aspect of it as
25 we see it would be more or less come under the -- I guess
26 the jurisdiction or the involvement of the government
27 Manpower group. So the arrangements for putting the
28 telex in I would think would be their responsibility.

29 Q Have you discussed that with
30

1 | them as something --

Q All right.

MR. BAYLY: I am talking --

MR. BAYLY: Well Mr. Commissioner,
I am concerned with who pays for installation in a system
where there is perhaps not even an outside telephone.
There are such places. You have been into them yourself
sir in the community hearings. This involves more than
just hooking it up to a phone system if you don't have
the phone system.

24 A We were talking about the
25 telex and certainly if the load was fairly light, there
26 would be no need for a telex. You could use the existing
27 telephone system that exists. So the communications would
28 be there. It's a case of determining whether a telex
29 was required because of the load or whether a telephone
30 system would be -- the existing telephone systems would be

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Bayly

1 adequate.

2 MR. BAYLY: My concern Mr.
3 Commissioner is whether the communities can expect upgrade
4 in communications between themselves and the outside.
5 I am also concerned with who is going to foot the bill
6 for that.

7 THE COMMISSIONER: Well I don't
8 think Foothills has considered the matter in that detail.

9 MR. BAYLY: So with regard to
10 the delivery system in general, it involves as I understand
11 it, the cooperation of various levels of government for
12 the plan that you have proposed to work.

13 A Yes, government -- all
14 the parties that are involved: the unions, the contractors
15 and so on. In our direct we said that it was important
16 that all parties involved understand and agree to
17 the system and assume their responsibility to make
18 it function properly.

19 Q Without trying to detract
20 from your evidence, what you have done in this portion
21 of it is to make a proposal of what Foothills would like
22 to see done without having guarantee from any of the
23 other parties involved if they are willing to participate
24 in the carrying of it out.

25 A Well they say this is put
26 forward as our view as to how this system -- a possible
27 way in which this system can work. Now you have to
28 appreciate that as time goes by and the permits are
29 issued and there is restrictions put into it, there may
30 be a need to modify this. But certainly we've had

Burrell, Deyell, Ellwood
Jensen, MacLeod
Cross-Exam by Bayly

1 discussions with government people and with union people
2 and generally, they see this as a workable arrangement
3 -- the overall framework as a workable arrangement.

4 MR. BAYLY: All right. Those
5 are all the questions I have. Thank you very much.

6 MR. HOLLINGWORTH: No re-
7 examination sir.

8 THE COMMISSIONER: Well thank
9 you very much members of the panel for your evidence
10 and for cooperating with the counsel who asked questions
11 of you. We certainly learned a good deal from you.

12 So, thank you again. It's
13 nice to see you Mr. Deyell. I don't know how many of
14 you we will be seeing again, but if not, thank you for
15 all the cooperation you've provided to the Inquiry.

16 (WITNESSES ASIDE)
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
In Chief

1 MR. GOUDGE: Sir, we propose
2 to proceed now by calling Dr. Mim Dixon as our witness,
3 and perhaps we could have her read her evidence in chief
4 before lunch.

5 THE COMMISSIONER: Yes.

6
7 DR. MIM DIXON, sworn:

8 DIRECT EXAMINATION BY MR. ROLAND:

9 Q Dr. Dixon, to quickly run
10 through your qualifications, I understand you have a
11 B.A. in Economics from Washington University.

12 A Yes.

13 Q And an M.A. and a Ph.D. in
14 Anthropology from Northwestern University.

15 A That's right.

16 Q And that you are presently
17 a resident of Fairbanks, Alaska, and have been so since
18 1970.

19 A That's correct.

20 Q That you are self-employed^a
21 consultant and that you have done applied anthropological
22 research for various organizations such as the Joint
23 Federal State Land Use Planning Commission, and the State
24 of Alaska Office of the Attorney-General.

25 A Correct.

26 Q And that you are presently
27 under contract with the State of Alaska, Department of
28 Community and Regional Affairs, to write a book about
29 the effects of the Trans-Alaska Oil Pipeline on the
30 Community of Fairbanks, Alaska.

Dr. M. Dixon
In Chief

A Yes, that's so.

THE COMMISSIONER: How is the
book coming?

A Not as fast as I wish it
were.

MR. ROLAND:

Q From May 1975 until April
1976 you were Director of the Fairbanks North Star Borough
Impact Information Centre.

A That's right.

Q And we'll hear more about
that from your presentation. That from February 1975
to February 1976 you were consultant for World Impact --
sorry, Rural Pipeline Impact Information Project, a
program conducted by the Fairbanks Town and Village
Association for Economic Development, in conjunction
with Tanana Chiefs Association and Fairbanks North
Star Borough's Impact Information Centre.

A Yes.

Q That from September 1974
to May 1975 you were a research analyst with the Fair-
banks North Star Borough's Impact Information Centre.

A Right.

Q And that you did your
research or dissertation research in Alaska.

A That's correct.

Q Between 1970 and 1973.

A Correct.

Q Also attached to your
presentation is a list of your publications and papers.
I take it that's an accurate list.

Dr. M. Dixon
In Chief

1 A I'm not sure which data
2 you're reading from, but I'd be happy to look at it and
3 tell you if it needs to be updated.

4 Q All right, and that you
5 are-- have been involved in other activities including
6 being a member of the Advisory Board of the Nurse-
7 Practitioner program, Alaska Methodist University.

8 A Just for the record,
9 the Methodist University has gone out of business and
10 that program has been transferred over to the University
11 of Alaska, but I'm still on the Advisory Board, yes.

12 Q That you assisted in
13 preparation of the Emergency Medical Services proposal
14 for interior Alaska, 1974-75.

15 You were on the Steering
16 Committee, Fairbanks Congress on Children.

17 A M-hm.

18 Q That you are on the Board
19 of Directors of the Tanana Valley Chapter of the American
20 Red Cross.

21 A M-hm.

22 Q You were a volunteer
23 councillor to the Fairbanks Health Centre, Family
24 Planning Clinic.

25 A That's right.

26 Q That you were chairman of
27 the Mental Health Outreach Committee. I take it that's
28 situate in Fairbanks.

29 A Right, that's in conjunction
30 with the local public television station.

Dr. M. Dixon
In Chief

1 A Yes.

2 Q And that you are a member
3 of the American Civil Liberties Union and the Fairbanks
4 Consumer group.

5 A Yes.

6 Q Would you now read your
7 presentation?

8 A I would like to thank
9 Judge Berger and the persons associated with the Macken-
10 zie Valley Pipeline Inquiry for inviting me to share
11 some of my observations of the impact of the Trans-Alaska
12 Oil Pipeline on Fairbanks, Alaska, and the role of the
13 Fairbanks North Star Borough's Impact Information Centre.
14 I find it very gratifying that other people are trying
15 to learn from our experiences

16 So that you can properly
17 evaluate my comments, I would like to give a little
18 background about myself and about Fairbanks. We have
19 just been over some aspects of my vitae. I'll just
20 repeat again that my academic training includes a Bachelor
21 of Arts magna cum laude in economics from Washington
22 University in 1970; and a Masters and Ph.D. in anthro-
23 pology from Northwestern University in 1972 and 1974
24 respectively. I have been a resident of Fairbanks,
25 Alaska, since 1970. From August of 1974 until April
26 of 1976 I studied the impact of the Trans-Alaska Oil
27 Pipeline on the Community of Fairbanks in conjunction
28 with the Fairbanks North Star Borough's Impact Information
29 Centre. I also served as a consultant to the rural
30 impact information project of interior Alaska for the

Dr. M. Dixon
In Chief

1 duration of that program from February of 1975 until
2 February of 1976. . Currently I am on contract with
3 the State of Alaska's Department of Community and Regional
4 Affairs to write a book about the Fairbanks experience
5 with pipeline impact. I believe a vita has also been
6 submitted for further information about myself.

1 The effects of a trans Alaska
2 oil pipeline on the community of Fairbanks may be applicable
3 to the Mackenzie Valley situation in some ways and not
4 in others. Therefore, I would like to offer a brief
5 summary of the magnitude of the pipeline project and
6 Fairbanks' role in relation to the pipeline.

7 Construction of the trans
8 Alaska oil pipeline system was officially begun in
9 April of 1974, although preliminary work began as
10 early as 1968. At its inception, it was called the
11 largest private construction project in history. To
12 transport oil from Prudhoe Bay at the northern coast
13 of Alaska, to the southern Alaskan port of Valdez
14 requires, in addition to the construction of an 800
15 mille long 48 inch diameter pipe, the construction of a
16 361 mile gravel road, bridges over 20 major streams, a
17 2,300 foot bridge over the Yukon River, three permanent
18 airfields, eight temporary airfields, 15 permanent
19 access roads, numerous temporary access roads, 19 con-
20 struction camps, eight pump stations and oil storage and
21 tanker loading facilities. The cost of the project is
22 now estimated in excess of 7.7 billion dollars and the
23 estimated completion date is mid 1977.

24 At the peak of the construction
25 season last summer, an estimated 22,000 people were
26 working directly on the pipeline project. Most unions
27 had negotiated contracts which provide for a working
28 period of 9 to 13 weeks, with 10 to 12 hours of work
29 each day, and a rest and recreation period of one to two
30 weeks. This yields paycheques of \$1,000 to \$1,500 per

1 week for labourers and skilled craftsmen.

2 Incedentally, when I say pay-
3 cheques, I'm talking about pay before taxes. Sometimes
4 it comes out to be that much after taxes also.

5 Fairbanks, Alaska is the
6 primary supply and administrative center for construction
7 of the northern segment of the pipeline, that is every-
8 thing north of Glenallen and therefore it is one of the
9 communities most affected. Surplus buildings in the
10 local army base have been converted into construction
11 headquarters for the trans Alaska pipeline project.
12 Approximately 520 management personnel are located there.
13 Additional facilities on the post are being used for
14 a construction camp, accommodating 1,360 workers, many
15 of whom work at the pipe storage yard located in Fairbanks.

16 In addition, union halls
17 located in Fairbanks are the primary source of job
18 referral for more than 16,000 pipeline jobs. Since the
19 supply of available labour is greater than the number of
20 pipeline jobs, someof the unions have waiting lists of
21 3,000 people or more.

22 According to the 1970 census,
23 the Fairbanks North Star Borough was inhabited by
24 approximately 45,000 persons and government was the
25 major employer. With the commencement of pipeline con-
26 struction activities, the population has swelled to
27 an estimated 63,000 persons, in addition to the numerous
28 transients who pass through Fairbanks on their ways to
29 and from the pipeline construction camps or to do pipe-
30 line related business.

1 Direct and indirect effects of
2 pipeline construction upon the Fairbanks community are
3 called "impact". To help the community cope with impact
4 to quell impact rumors and to aid in formulating policy,
5 the Fairbanks North Star Borough established an Impact
6 Information Center in July of 1974. The testimony which
7 follows gives a history of the impact information center
8 explanations of the methods of data collection and
9 dissemination used by the center and a brief description
10 of how the information is used and a list of principles
11 which I have developed for the successful operation of a
12 programme such as the Impact Information Center. In
13 addition, I have tried to present some of our research
14 findings in a broad conceptual framework which may
15 be useful to those assessing, predicting and evaluating
16 the potential and actual impacts of oil and gas development
17 in the Mackenzie Valley.

18 Just prior to the inauguration
19 of pipeline construction activities, the Social Concerns
20 Committee of the Fairbanks Council of Churches held a
21 community meeting to which representatives of the oil
22 industry were invited to describe the ways in which the
23 communities in the Fairbanks North Star Borough would
24 be affected by the construction activities. This
25 meeting provided a forum for public discussion in which
26 there was an expression of need for additional and
27 on-going information about the affects of pipeline
28 activities on the local communities. The Social Concerns
29 Committee, along with other concerned individuals
30 organized support for an Impact Information Center as

1 part of the Fairbanks North Star Borough government ser-
2 vices.

3 Charles Parr, who was then
4 presiding officer of the Fairbanks North Star Borough
5 Assembly, developed a schematic for such an office.
6 Mr. Parr envisioned a center whose purpose is to collect
7 and disseminate information,

8 "it does not forecast, predict, project,
9 extrapolate, or otherwise attempt to indicate
10 the shape of the future."

11 ending that quote from his schematic.

12 According to the schematic,

13 "The sole measures of success of the
14 Impact Information Center will be how
15 well it serves the whole community: the
16 businessman deciding whether to expand
17 his operations, the man who builds three
18 houses and sells them each summer, the
19 senior citizen on a fixed income who must
20 decide whether or not to leave for the
21 lower 48 because of prices, the school
22 authorities want to know how many teachers
23 to hire, hospital administrators with
24 staffing problems, Goldpanners who may need
25 additional seating in the ball park, and
26 welfare recipients whose incomes always lag
27 behind the rising cost of living."

28 THE COMMISSIONER: Excuse me.

29 A Yes?

30 Q What does that phrase,

1 "goldpanners who may need additional seating in the
2 ball park" --

3 A All right. The Goldpanners
4 are the local baseball team.

5 Q Oh.

6 A I should have clarified
7 that.

8 Borough Mayor John A. Carlson
9 supported the idea in a memorandum to the Borough
10 Assembly in which he further refined the concept of an
11 Impact Information Center. He defined three basic
12 purposes for such a center.

13 One, to provide the general
14 public with information relevant to pipeline activity
15 which "could or will affect their personal, occupational,
16 business, financial and recreational affairs".

17 Two, to provide the borough
18 assembly and administration with "factual data to aid
19 them in conceiving and formulating public policy designed
20 to cope with pipeline impact" and to present information
21 as a rationale to support requests for state, and possibly
22 federal impact funds or services. There were no federal
23 impact funds forthcoming.

24 The mayor also recommended that
25 a broadly based steering committee be appointed to
26 guide the proposed impact center.

27 On April 25th, 1974, the Fair-
28 banks North Star Borough Assembly appropriated 13,450
29 dollars from the general fund to the Mayors office for the
30 purpose of establishing an Impact Information Center and

Dr. M. Dixon
In Chief

1 operating it for the remainder of the fiscal year.
2 The Borough Assembly later decided to use a portion of
3 the impact funds received from the state of Alaska to
4 support the Impact Information Center, and thereby
5 appropriated an additional 49,198 dollars to operate
6 the Impact Information Center during the fiscal year
7 1974, 1975.

8 The original Impact Advisory
9 Committee, appointed by the mayor to guide the Impact
10 Information Center, represents a cross section of the
11 community, including the chairman of the Social Concerns
12 Committee of the Fairbanks Council of Churches; President
13 of the Fairbanks Chamber of Commerce, Community
14 Relations Representative for the Alyeska Pipeline Service
15 Company, Vice President of Doyon Ltd., the regional
16 Native corporation for this area and Presiding Officer
17 of the Borough Assembly. Later the committee was
18 expanded to include a consumer representative, a
19 representative of the black community and a representa-
20 tive of the Joint Labour Council.
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
In Chief

1 Since the original committee
2 was formed, there have been several changes in membership
3 but the broad representation of various parts of the
4 Fairbanks community has been maintained. At its
5 inception the committee met with the Impact Information
6 Centre staff, the press, and the public two times each
7 month. Later the public meetings were held once a
8 month. The Advisory Committee reviews and critiques
9 the publications of the Impact Information Centre,
10 suggests topics for research, and provides a public
11 forum for discussion of impact phenomena.

12 The Impact Information Centre
13 began with a two-person staff. Joe LaRocca, a veteran
14 political journalist was the Information officer, assisted
15 by a secretary. Shortly after the office began,
16 I joined the staff through the use of CETA (that's
17 Comprehensive Employment Training Act), a federal
18 program to combat unemployment. Eight months later
19 the Impact Information Centre had proved itself and it
20 was decided that there was a need for a Rural Impact
21 Information project for the interior of Alaska outside
22 the Fairbanks North Star Borough. By contractual
23 arrangement with the Impact Information Centre, I also
24 served as a consultant to that rural program.

25 At the end of the first fiscal
26 year of the Impact Information Centre, the state impact
27 funds lapsed and the Borough Assembly decided to
28 appropriate the funds out of general revenues to continue
29 the program. The State of Alaska ascertained that the
30 Impact Information Centre was providing valuable

Dr. M. Dixon
In Chief

1 information to state agencies and decided to add
2 \$10,100 to the Impact Information Centre budget.
3 Additional funds were secured through contractual services
4 with the Rural Impact Information project. At that point
5 till LaRocca departed, I became director and/secretarial
6 position was amalgamated into an information assistant
7 position with responsibilities for working with the public
8 and assisting in research as well as clerical duties.

9 At the end of the second
10 fiscal year of operation for the Impact Information
11 Centre last June, the Borough Assembly once again
12 funded the program with a budget of approximately \$60,000
13 for the 1976-77 fiscal year. I resigned from my
14 position in April to write a book about pipeline impact
15 in Fairbanks, and Sue Fison became director of the
16 Impact Information Centre. Among other recent developments
17 the Fairbanks North Star Borough received a 1976 New
18 County Achievement Award from the National Association
19 of Counties for the Impact Information Centre.

20 A major activity of the Impact
21 Information Centre is to collect information about the chan-
22 ges in the community which may have resulted directly or
23 indirectly from pipeline activities. A variety of
24 methods have been used to collect community data. These
25 include the following:

26 1. A reporting system has been established in which
27 local and state agencies send copies of their regular
28 reports to the Impact Information Centre. This includes
29 such items as traffic counts, airport activities,
30 Consumer Protection Agency caseloads, and so forth.

Dr. M. Dixon
In Chief

2. The local newspaper and other major newspapers within the state are reviewed daily and a file of newspaper clippings relating to the community, the impacts of the pipeline, and energy resource development is maintained.

3. The Impact Information Centre receives studies, reports and articles about Fairbanks and serves as a library for that information.

4. Regular market basket surveys, heating-oil cost surveys, and surveys of rental prices advertised in the local newspaper are conducted to establish economic indices. In addition, information obtained by the Bureau of Labor Statistics in its Anchorage Consumer Price Index is utilized. A major activity of the Impact Information Centre and its Advisory Committee has been to encourage the re-establishment of a consumer price index in Fairbanks. So far, however, this has been an unsuccessful endeavor.

5. Public records are also used to obtain data. For example, by utilizing dockets from the Alaska State Superior Court, filed divorce complaints are recorded monthly and information from previous years is being collected in order that a time series analysis may be possible.

6. Interviews are conducted with local persons to obtain information on a variety of subjects, and local institutions are visited and observed.

7. Public meetings and hearings are attended to obtain both information and public expressions of sentiments.

8. Formal questionnaires are used occasionally to

Dr. M. Dixon
In Chief

1 obtain information on specific problems, such as the
2 survey of High School students to determine their roles
3 within the work force, a survey of senior citizens to
4 ascertain their pipeline-related problems, and a survey
5 of local pipeline-related workers to determine their child
6 care needs and solutions. Currently the Impact Informa-
7 tion Centre is conducting a survey of mobile home ^{occupants} /which
8 should be available very shortly.

9 9. Local university students are encouraged to study
10 impact phenomena. Their work is supervised and
11 co-ordinated through the Impact Centre, and the Centre
12 acquires copies of completed papers.

13 10. Impact Information Centre staff participate in
14 local groups, give speeches at meetings of various
15 organizations, are interviewed on radio and television
16 talk shows, and participate in community activities
17 and other ways which help to create a positive impact
18 and a sense of trust which facilitates an informal
19 communications network.

20 11. As the Impact Information Centre has become
21 recognized as a community resource, persons in the
22 community or elsewhere with questions, problems, or
23 information contact the Impact Information Centre either
24 by telephone or going directly to the Centre. Persons
25 in the community provide information not only in terms
26 of data but also by alerting the staff to community
27 concerns.

28 Research methods are flexible
29 and strive for the integration of qualitative and
30 quantitative data. The financial and political

Dr. M. Dixon
In Chief

1 constraints on the Impact Centre prohibit a large-scale
2 research team which could provide greater depth of
3 information. However, the relatively small size of the
4 community and the unique vantage point provided by the
5 research setting permits a holistic view of changes in
6 the community .

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

1 I would like to talk for a few
2 minutes about methods of disseminating information.
3 Until recently, the Impact Information Center has been
4 located in a store front office in the heart of downtown
5 Fairbanks. Right now it has been a temporary quarters
6 and it is about to move again however. It serves local
7 citizens seeking information or referral: businessmen,
8 State and federal agency people, journalists and other
9 interested people, including a variety of Canadian groups
10 associated with the Berger Inquiry some of whom I
11 recognize here today. Information collected by the Impact
12 Center is disseminated in several ways. People call or
13 visit the Center, some information is exchanged through
14 correspondence and the staff of the Center gives speeches
15 and presentations to the groups in the Fairbanks area.
16 Much information is disseminated through the news media
17 coverage of the monthly Impact Advisory Committee's
18 meetings.

19 The major focus of activities
20 and the major source of dissemination of information is
21 through the publication of regular reports. In the 26
22 months that the Impact Information Center has been in
23 existence, it has produced 29 regular reports which cover
24 over 100 topics, including such areas tax revenues,
25 highway traffic, airport activities, population estimates,
26 prices, housing, crime, employment, youth and many others.
27 In addition, three special reports have been prepared:
28 "Alaska Hire and Minority Hire on the Pipeline",
29 "Senior Citizens: The Effects of Pipeline Construction
30 on Elderly Persons Living in Fairbanks", and "Questions

M. Dixon
In Chief

1 and Answers About the Cost of Living in Fairbanks".
2 These reports are distributed to borough administrators
3 and assemblymen and to other persons upon request and
4 to persons who have requested that their names be placed
5 on the mailing list.

6 By May of 1976, approximately
7 725 persons have requested that their names be placed on
8 the mailing list for Impact Information Center reports.
9 Surveys of report recipients indicated that on the average
10 each copy of the report which was mailed was read by 3.3
11 persons in 1975 and 3.1 persons in 1976. The distribution
12 of the reports through the mailing list is given in the
13 table prepared in August of 1975 when 585 persons were
14 on the regular mailing list and I assume this table will
15 be submitted for evidence.

16 It shows that 60% of the reports
17 remain in the borough. Another 22% are sent to places
18 inside Alaska but outside the borough. 18% are sent
19 outside Alaska. The largest percentage of recipients of
20 this report is the private citizen who receives 39% of the
21 report. Business and other organizations, 35%; the
22 university 11%; State agencies, 10%; federal agencies
23 6% and the press, 3%.

24 Along with this testimony, I
25 have submitted copies of the Impact Information Center
26 reports to the Berger Commission. Of course, I shall be
27 happy to answer any questions about the contents of the
28 reports and the methods used in obtaining and analyzing
29 the information contained therein.

30 A survey of Impact Information

M. Dixon
In Chief

1 Center report recipients in January, 1975 in which 50%
2 of the recipients responded, indicated that 77% of the
3 respondents had actually used information contained in
4 the reports. Respondents indicated that they had used
5 the information for planning and decision making; as
6 references in hearings, reports and research; for news
7 reporting; in agency reports; to support budget requests;
8 and to let persons considering moving to Fairbanks know
9 what to expect.

10 A follow-up evaluation question-
11 naire was distributed in January 1976. Those returns
12 indicated that the information in the Impact Information
13 Center reports is being used in nearly every area of the
14 community: to certify the need for additional hospital
15 services, to project church needs in Fairbanks; to help
16 banks in economic forecasting; to assist in real estate
17 appraisals; to make school enrollment projections and
18 decisions about routing school buses; to aid in employee
19 recruitment and as the basis for wage scales and
20 employee benefits; to support requests for fair computation
21 of medicare reimbursements to the elderly; to provide
22 evidence for those writing environmental impact state-
23 ments; to help citizens decide how to vote on local
24 bond issues; and in numerous other ways.

25 One of the most dramatic
26 effects of the Impact Information Center activities has
27 been the responsiveness of the State Government to prob-
28 lems documented in the Impact Information Center reports.
29 The Lt. Governor and nearly every State Commissioner as
30 well as local officials and agency personnel joined

M. Dixon
In Chief

1 350 or more local citizens to discuss pipeline impact
2 problems at a one day community forum on growth sponsored
3 by the Social Concerns Committee of the Fairbanks
4 Council of Churches in April, 1975. The former chair-
5 person of the Impact Advisory Committee and the director
6 of the Impact Information Center were active organizers
7 of the forum.

8 Shortly after the special
9 report on Alaska hire and minority hire was issued, for
10 another example, the State Commissioner of Labor called
11 the Impact Information Center to say that he had made a
12 list of all the problems outlined in the report. He felt
13 that the criticisms were valid and assigned his staff
14 members to address each of the problems. Shortly there-
15 after, the State Department of Labor announced a new
16 program for more effectively accomplishing the local hire
17 provisions stipulated in the State laws. In another
18 example, after the Impact Information Center had documented
19 the need for more sanitarians in the Fairbanks area,
20 the Governor immediately funded that portion of the bud-
21 get request from the State Department of Health and
22 Social Services.

23 Unfortunately however, those
24 sanitarians were never hired because there was not any
25 housing for them in Fairbanks. Nevertheless, it's an
26 example of how the information can be used to transmit
27 the urgency of local needs to the State level.

28 Based upon my experiences with
29 the Fairbanks North Star Borough's Impact Information
30 Center, I would like to suggest some principles basic to

M. Dixon
In Chief

1 the successful operation of such a program. Fundamental
2 to these recommendations is the fact of life that the
3 Center is subject to local control and therefore, local
4 politics. Another fundamental ~~premise~~ is that the
5 effectiveness of the Center is dependent upon its
6 credibility and ability to communicate findings.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
In Chief

1 These, then, are my suggestions:

2 1. Consider every group and individual in the
3 community as part of a special interest group, whether
4 or not it appears that they have the community interest
5 at heart rather than personal interests. To avoid
6 community politics and gaining general acceptance it
7 is important not to be identified with any single
8 special interest. This may be accomplished by
9 balancing activities with some types of special interest
10 groups in the community with attentions to opposite
11 types of interests. Types of special interest groups
12 in the community might include business and economic
13 groups, church or social activist groups, conserva-
14 tionists, academic or university types, labor or union
15 people, and ethnic groups.

16 2. An Advisory Committee or Board of Directors
17 composed of representatives of broadly based segments
18 of the community is vitally important. This gives the
19 organization more credibility and distributes the res-
20 ponsibility for activities to people who are known and
21 respected in the community. In order for an Advisory
22 Board to be effective, it must include representatives
23 of potentially critical organizations.

24 3. To maintain credibility, it is imperative to limit
25 activities to disseminating documented information, to
26 minimize interpretations, and to avoid projections.
27 Based upon accurate information, others can draw
28 conclusions , make predictions, suggest policy, and
29 recommend planning. If the applied social scientist or
30 other person in charge of such a centre is asked to

Dr. M. Dixon
In Chief

1 become involved in the planning process, it is best
2 to offer several alternatives explaining positive and
3 negative aspects of each. In other words, the social
4 scientist or director of such a program does not
5 become a political threat if he or she lets somebody
6 else take the responsibility for decision-making.

7 4. If the information is to be used, it must be
8 presented in a clear and understandable manner. Infor-
9 mation is more likely to be used when written narratives
10 are kept to a minimum and charts and graphs are
11 employed when appropriate. Statistical analysis
12 is difficult for many people to interpret and concept-
13 ualize. It is far more effective to present quantitative
14 information using numbers and percentages. Social
15 scientists who find this threatening to their sense of
16 academic competence may prepare two reports -- a detailed
17 report for personal use and for people with specialized
18 interest, and a more general and brief report for
19 the public. In effect, we did this on several
20 occasions. We prepared a detail report for people that
21 we felt were interested in details and then summarized
22 it in our regular report.

23 5. Vocabulary is exceedingly important. Words with
24 neutral or positive connotations in academia or other
25 circumstances can have negative connotations in the
26 community context. It's important to try to understand
27 community attitudes and political sensitivities and
28 select words that will not evoke hostilities.

29 In most cases, the business/
30 economic interests dominate politically. Explanations

Dr. M. Dixon
In Chief

1 which include concepts which are understood by the
2 economic interests and which incorporate their values
3 are more likely to be accepted. For example, "tax-
4 payers' dollar" is a phrase that is often used by
5 politicians, and it's one that no doubt everybody here
6 hears quite often too, and I think this can also be
7 used effectively in an explanation to the general
8 public.

9 6. is a suggestion particularly for people who are
10 running these kinds of centres, that you don't always
11 have to be right. It's important to try to avoid
12 inaccuracies and mistakes; but if somebody in the
13 community accuses you of being wrong, it's important
14 not to become defensive. I think it's important to
15 remember that that person is becoming involved in the
16 project and to encourage his or her participation.
17 That person is a source of information and to seek the
18 additional information that he or she has to offer.
19 Criticisms from the Advisory Board gives them a reason
20 for being. If you are always right, that means that
21 they are powerless.
22 Your credibility is much more a function of process --
23 is as much a function of process as it is of content.
24 It's important to concentrate on developing strong
25 relationships rather than strong arguments, and not to
26 worry about being embarrassed by mistakes because we
27 all make mistakes.
28 7. News media seek sensational stories and quotations,
29 so it's necessary to learn how to use the news media
30 without letting them abuse you.

Dr. M. Dixon
In Chief

8, is to be aware of the hierarchy within a system that this centre is operating in, and to keep administrative persons posted on activities and consult with them on decision-making matters, not to consider this project to be outside the system. I think it's possible to do this and still maintain a fair amount of autonomy.

9. To maintain autonomy, I feel that it is important not to accept funding from any source which may directly benefit or be harmed by the potential results of your research. Even if the money is offered with no strings attached, other people in the community will assume that the source of funding may bias the results and therefore the credibility of the program may be damaged. For example, the Impact Information Centre never sought money from the oil companies and it is my opinion that to do so would have been both inappropriate and detrimental.

10. There is a tradeoff between research effectiveness and community acceptance in terms of size of the program. The Impact Information Centre could have been more effective at data-gathering and analysis if we had had a larger staff. At the same time, a larger staff would have created an image of a burgeoning bureaucracy which used taxpayers' dollars in a wasteful manner. For different communities there are probably different combinations between the staff size appropriate to the task and the budget for which it is perceived that tax dollars are being used efficiently and effectively. One way to make a better program is to create more effective systems of data-gathering

Dr. M. Dixon
In Chief

1 at the state and federal level of government.

2 I'd like to spend just a few
3 minutes talking about research findings.

4 Because Fairbanks is substan-
5 tially larger than most of the communities which may be
6 affected by a gas line through Canada, and because the
7 proposed plans for a Canadian gas line are significantly
8 different from the Trans-Alaska Oil Pipeline, it is
9 likely that specific impacts experienced by Fairbanks
10 may not be applicable to the Canadian situation which
11 you are examining. For this reason, and because the
12 Berger Commission has been given copies of the Impact
13 Information Centre Reports which relate the details
14 of pipeline impact, I have chosen to summarize our
15 research findings in terms of broad patterns and pro -
16 cesses rather than specific events. I think this may
17 make our research findings more useful to you. Because
18 of my own training the concepts I have chosen for
19 explaining these patterns and processes are largely
20 anthropological.

21
22
23
24
25
26
27
28
29
30

M. Dixon
In Chief

The first concepts is that of carrying capacity. One approach to explaining the process by which the local group adjusts to changes in the micro-environment such as a major construction project like an Arctic pipeline, is through the concept of carrying capacity. To summarize briefly here the concept implies a relationship between population and resources. In the urban setting, resources must be defined to include the following:

1. Food
2. Cultural constructs for survival such as shelter, clothing and medicine
3. That which permits the distribution of resources which are not immediately procured by the local population, for example, transportation and communication
4. Cultural constructs which provide social integration through which large numbers of persons can live together. This would include government, law enforcement, socializing institutions such as schools and churches and so forth, and,
5. Knowledge which enables people to function and survive in the cultural-ecological setting. This would include both science and leadership.

In urban areas, as well as in subsistence and agrarian economies, intensified or improved technology can increase the amounts of resources available to a population at a given time. The carrying capacity for each of the component resources is defined as the population density at which the demand for that resource exceeds the capacity of that resource at its

M. Dixon
In Chief

1 current level of technological intensity and thus
2 results in disintegration or an inability of that
3 resource to function in its designated role.

4 One of the more dramatic impacts
5 of pipeline construction on Fairbanks has been that the
6 population has exceeded the carrying capacity of many of
7 the resources. For example, people are unable to obtain
8 new telephones and the existing telephone system is
9 now functioning most of the time. The necessary
10 technology to increase the switching capacity of the
11 telephone system takes two years to obtain and install.
12 Similarly, electricity consumption has exceeded the
13 generating and supply capacity of the local electric
14 company. People may no longer obtain electric heat in
15 their homes, there are lengthy delays in obtaining new
16 electric hook-ups and electric outages are not uncommon.
17 The electric company's inability to meet the needs may
18 result in planned periodic blackouts in different areas
19 of the community to reduce the electric load. Housing,
20 for another example, is filled beyond capacity and new
21 housing construction is inadequate to meet the needs.
22 This has resulted in exorbitant rents and the changing
23 residency patterns.

24 When their carrying capacity
25 has been exceeded, resources experience disintegration.
26 To some extent, the community collectively experiences
27 disintegration and reintegrates into a new or changed
28 community. By measuring the carrying capacity of various
29 resources, it may be possible to predict the levels at
30 which disintegration would occur from additional demands

M. Dixon
In Chief

1 created by introducing projects such as the Trans Alaska
2 oil pipeline into the micro-environment.

3 Another concept that we have
4 been able to work on and develop is that of the structure
5 of the community. The ways in which change occurs are
6 dependent upon the structure of the community at the
7 time in which the new force is introduced into the
8 micro-environment.

9 Before the pipeline construction
10 began, Fairbanks was a small town which was relatively
11 isolated and which had managed to maintain a fairly
12 constant, social political, and economic structure.
13 Anchorage by comparison, was a fast-growing town which had
14 been experiencing change prior to the pipeline and was
15 more flexible. Thus, Anchorage absorbed pipeline impact
16 with less trauma than Fairbanks. Some of the changes
17 brought about the pipeline in Fairbanks included:

- 18 A Changes in the political structure. For example:
- 19 1. New groups have formed
 - 20 2. New individuals within old groups have changed the
21 power structure of those groups, and,
 - 22 3. New problems and goals have re-defined alliance
23 networks.

24 There have also been changes
25 in social structure.

26 - patterns of participation in voluntary groups have
27 changed.

28 - greater employment opportunities have increased socio-
29 economic mobility for some groups, especially teenagers,
30 native people and women.

M. Dixon
In Chief

1 - The roles of social service organizations have
2 changed so that there is less dependence upon government
3 and a greater role for religious organizations in provid-
4 ing social services.

5 Also, there have been changes
6 in residence patterns.

7 - More families have persons living with them who are
8 not members of the nuclear family.

9 - There is a proliferation in institutionalized
10 communal living arrangements such as rooming houses and
11 hotels.

12 - And a proliferation of non-conventional housing such
13 as tents, trailers, cars, shacks, mobile homes; all kinds
14 of things.

15 - Pipeline construction camps
16 have created new residency patterns in that persons
17 working on the pipeline reside away from their families
18 for nine to 13 weeks and with their families for one to
19 two weeks.

20 There have also been changes
21 in Family structure.

22 - Some of these changes result in part from changing
23 residency patterns such that when a person is absent from
24 the family for the nine to 13 week period, the spouse and
25 children may assume different roles.

26 - Patterns of caring for children have changed as a
27 result of double-shifting in the schools, a shortage of
28 institutionalized child care and longer working hours.

29 - Teenages and women entering the work force may result
30 in changes in the family structure.

M. Dixon
In Chief

1 - Divorce rates have been four to eight times greater
2 since pipeline construction began.

3 These of course, are only some
4 of the changes in the structure of the community since
5 pipeline construction began. At this time, it is not
6 known whether these changes will have short term or
7 permanent consequences.

8 THE COMMISSIONER: Excuse me,
9 how can the divorce rate be four to eight times greater?
10 Isn't it possible to tell? I don't quite understand
11 that?

12 A Yes, let me say that I
13 shouldn't say divorce rates, let me say the number of
14 divorce complaints filed has been four to eight times
15 greater. We don't know about divorce rates because we
16 don't have accurate population figures that can help us
17 assess whether or not the number of divorces per
18 population has gone up. But the population has not gone
19 up by four to eight times as the number of divorces had.
20 So properly speaking, that should be the number of
21 divorce complaints filed rather than divorce rate. Thank
22 you.

23 The third concept which I think
24 is important that we have learned from our experiences
25 with the Trans Alaska oil pipeline has been that the
26 community is not necessarily a passive recipient of
27 change. Communities may make decisions which affect the
28 micro-environment which in turn affects the macro-
29 environment which then affects the community. For example,
30 Fairbanks and the State of Alaska engaged in an active

M. Dixon
In Chief

1 immediate campaign to discourage people without jobs
2 from coming to Fairbanks and thereby reduced or averted
3 some of the potential problems.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
In Chief

1 Fairbanks has some of the
2 strongest temperature inversions in the world, which
3 have created severe air quality problems. There was
4 fear that the increased traffic resulting from pipeline
5 impact would intensify the carbon monoxide and ice fog
6 conditions. However, a plan to improve air quality
7 which included changing traffic patterns downtown
8 served to reduce carbon monoxide in the core area despite
9 the pipeline related traffic which has been as much as
10 130 percent ^{more} in some areas than prior to the pipeline.
11

12 In conclusion, I would like
13 to address a question which is often asked of me and
14 for which my answer is often misinterpreted or -- and/or
15 misquoted. The question is, "overall, do you think
16 that the pipeline has been positive or negative for the
17 people of Fairbanks?"

18 I hope that I have communicated
19 in my testimony that my approach to assessing impact
20 is that of a social scientist who is concerned about
21 documenting facts and understanding processes. In
22 order to do this, I have tried to eliminate value
23 questions such as "positive or negative", from my work.
24 It is quite apparent to me that what is positive to
25 one person or group of persons can at the same time
26 be negative to another. For example, the high wages
27 paid to pipeline workers are positive to those employed
28 on the pipeline and negative for those on fixed incomes
29 who must cope with inflationary effects of such high
30 wages.

It is my opinion that the

Dr. M. Dixon
InChief

1 overall effects of the pipeline on the community of Fair-
2 banks cannot be adequately assessed for a few years
3 until after all the data is in and there is some under-
4 standing of the long-term implications. At the same
5 time, I realize that you are faced with making a
6 decision which involve values. I welcome you to use the
7 information which we have prepared in making your
8 decisions, but I caution you to be conscious that the values
9 which you apply to the information are your own.

10 I am quite willing to accept
11 the responsibility for the quality of the information
12 and the methods used in obtaining it, the responsibility
13 of making value judgements about that information
14 rests with the user.

15 I'd be happy to answer any
16 questions about this testimony, about the reports which
17 I've submitted, or other questions about the impact of
18 the pipeline on Fairbanks. Thank you.

19 THE COMMISSIONER: Well,
20 thank you Dr. Dixon. I think we'll adjourn for lunch
21 and come back at 2:15 and then we'll see about the
22 questions, okay? Thanks.

23 (EVIDENCE OF DR. M. DIXON MARKED EXHIBIT 688)

24 (PROCEEDINGS ADJOURNED TO 2:15 P.M.)
25
26
27
28
29
30

Dr. M. Dixon
In Chief

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. ROLAND: Q Dr. Dixon, before we begin cross-examination, let me ask you just a couple of short questions. One of the basic functions of an Impact Centre is that you compile data and information, and you've mentioned this in your presentation. You also mentioned that there's some difficulty in obtaining data and information and in putting the data obtained to useful work, and I would like you, if you would, to let us know what useful help the Federal Government in Alaska, or the State Government, or the pipeline company, would be to the Impact Centre in assisting the centre in obtaining this information and making it available in some useful form?

A O.K., let me break down your question into a couple of components. One would be what our experience has been, and what kinds of recommendations I could make based on that experience would be the other one.

Let me begin with the oil company. What they have done in terms of providing information to the Impact Information Centre has been relatively minimal for a number of reasons. One is we were studying impact of the pipeline on the community and not the actual pipeline company's operations. So we didn't really go to them for very much information. But also they didn't view their role as providing us with information either, and in many cases I think that the pipeline company views itself as a private

Dr. M. Dixon
In Chief

1 business whose records are not open to the public, and
2 didn't really see any responsibility for providing
3 information, and it was more on a basis of, "We will be,
4 you know, we will do it as we feel like doing it, or
5 as a gift to you rather than as a responsibility."

6 What they did do is they
7 conducted a family survey which, when people went
8 through the orientation period they handed out a
9 little slip asking them if they planned to move their
10 family to Fairbanks, and if so, how many children were
11 in the family and what ages those children would be
12 in the school system. We asked them to do a more
13 comprehensive survey to help us understand the
14 characteristics of the labor force, and they refused
15 to do this because they said it would be an invasion
16 of the worker's privacy.

17 They also provided us with
18 information on an irregular basis on request. For
19 example, we asked for information about the amount of
20 money that the pipeline company spent in surveying
21 each day, and they did compile that for us at one
22 point, but there was no -- it took quite some time
23 to get that kind of information from them. Similarly
24 we have asked them to provide information on housing
25 needs and the amount of housing that was being pur-
26 chased locally and what they were supplying, and they
27 did provide this information.

28 They also did participate
29 in the Impact Advisory Committee, and in fact the
30 representative from Alyeska Pipeline Service Company

Dr. M. Dixon
In Chief

1 has been very regular about attending the Impact
2 Advisory Committee meetings.

3 What could be done, I think,
4 that would really help us understand better what was
5 going on with impact is that the oil companies could
6 have provided regular work force summaries by location,
7 trade or craft, and by contractor. Now, by law they
8 are forced to provide that information to the state
9 and federal monitoring agencies. The state for the
10 purposes of monitoring Alaska hire percentages, and
11 to the Federal Government for purposes of monitoring
12 minority hire percentages. However, we had to go
13 through those state and federal agencies in order to
14 get the information, and in fact even though the
15 oil companies had reduced some of the information
16 into very short forms which would have been useful,
17 we had to go to the office ^{of} Equal Opportunities in
18 Anchorage and go through these very lengthy computer
19 print-outs and essentially reduce the information
20 ourselves in order to get ahold of it.

21 So you know, it would have
22 been much more helpful to us to get this type of
23 information on a regular basis, and in a form that
24 would be more usable.

25 Also as I mentioned, regular
26 reports on the percentage of local hire, the percentage
27 of minorities, and the percentage of females in the
28 work force; also it would have been helpful to get
29 regular reports on job training activities.

30 At this point it's incredible

Dr. M. Dixon
In Chief

1 as it sounds, I spent a week in Juneau and another
2 week in Anchorage for the specific purpose of trying
3 to find out how many people were trained for what
4 kinds of jobs, for the pipeline, at what cost, and
5 nobody has that information. I suspect that the pipe-
6 line companies might have a little bit more of the
7 information than anybody else, but that information is
8 not public information at this point. The people
9 even involved in the job-training programs at state
10 level don't have that information.

11 Also another kind of infor-
12 mation which would be helpful in terms of the local
13 community would be regular reports on the numbers of
14 people who have been evacuated from pipeline camps
15 for medical emergencies, and the type of health care
16 or health care facilities which they require. We've
17 had a very difficult time just finding what percentage
18 of the increased utilization of the hospital in Fair-
19 banks, which is being used to capacity, is directly
20 attributed to pipeline-related accidents and so forth.

21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
In Chief

1
2 And similarly deaths on the
3 pipeline is something that is not made official information.
4 Also, as I mentioned, I feel that the pipeline companies
5 could have co-operated in a survey of those hired to
6 determine the characteristics of the labour force. Such
7 information as the age, the marital status, the number
8 of dependents, the location of the dependents and the
9 previous work experience of the people hired on the
10 pipeline would help improve our understanding of this
11 migrant labour force, which, in a sense is a part of
12 the whole impact situation that we have a very negligible
13 understanding of.

14 Also, it would be especially
15 important to have regular reports and updated projections
16 of the needs in terms of local labour force, housing,
17 warehouse and office space, supplies and other needs
18 which will create demands on the local community. This
19 is something that I think was being addressed this morning.
20 Part of the problem is that the local businessmen in
21 Fairbanks have no way of anticipating what kinds of
22 demands might be placed on them. Consequently, their
23 inventories aren't accelerated to the point that they
24 can both respond to the pipeline needs and to the local
25 communities needs.

26 I'd like to move now onto the
27 aspect of state government. We've had a lot of problems
28 obtaining information from state government, which stem
29 in part from the structure of the organization of state
30 government. For one thing, most of the agencies aren't

Dr. M. Dixon
In Chief

1
2 in the business of providing information, they're in
3 the business of providing services and they simply don't
4 keep track of a lot of the types of information that
5 we would find helpful . In addition, agencies have
6 different district boundaries which means that data
7 from different agencies is not comparable. I'll give
8 you an example, the State Troopers district, which
9 includes Fairbanks, goes from Tok, at the Canadian
10 border all the way up to Barrow at the northern border
11 and at the same time, say the Department of Health and
12 Social Services district, which includes Fairbanks,
13 includes an area larger than the Fairbanks North Star
14 Borough up to the Yukon River and south as far as
15 Tok. Other state agencies might have an office
16 specifically in Fairbanks to serve the Fairbanks popu-
17 lation, so, when we get figures from these agencies it's
18 very hard for us to analyze what they mean because they
19 cover different districts.

20 Agencies often do not monitor
21 their own activities and when they do it's most likely
22 to fulfill their requirements for federal contracts.
23 In other words, they're not monitoring them to find
24 out what the demand is for their services and how well
25 they're meeting that demand, they more likely do it
26 according to what kinds of reports they're being forced
27 to submit in response to federal requirements.

28 When agencies do have a
29 data collection system, this is usually a low priority
30 for them and the records are kept in a hap-hazard and

Dr. M. Dixon
In Chief

1
2 inconsistent manner. In other words, a social worker
3 views his or her responsibility as helping a person,
4 sitting across from them, solve their problem, not
5 shuffling papers and when they're asked to fill out
6 forms, they often give this a low priority and don't
7 do it in a very conscientious manner.

8 When records are kept, the
9 data is often unretrievable because it's not computerized
10 or otherwise well managed and this means that there
11 might be a stack of forms this high with the data on
12 it but nobody knows how to extract the information
13 from it or somebody knows how but nobody has done it,
14 and even when the information is computerized, it's
15 usually only retrieved once a year and this is at
16 budget time to support a budget request and this doesn't
17 enable us to monitor what's happening over a -- consistently
18 over a period.

19 In order to make data of that
20 impact phenomenon meaningful, it is necessary to have
21 both one time depth in the data so that we can distin-
22 guish long term trends that have been developing through
23 the results of a specific development. So, even if
24 they started today to keep the data, to monitor the
25 impacts ^{of} /the pipeline, we'd also need to go backwards
26 in time to see what can be attributed to this specific
27 event as compared to a trend that had been building up
28 over time.

29 And secondly, as the Judge
30 brought up, a reasonably accurate census is needed in

Dr. M. Dixon
In Chief

1 order to distinguish changes directly related to popu-
2 lation growth from changes resulting from impact phenomenon.
3 In other words, we need to be talking about rates of
4 change rather than absolute numbers so that the data
5 can be meaningful.

6 Well, these are a lot of
7 problems to deal with in terms of getting information
8 from state government. My suggestions would be that
9 if the agencies cannot redistrict and maybe that is
10 a little/^{bit}too much to ask, just in response to a given
11 project like this, although I don't think it's a bad
12 idea for a lot of other reasons, they could collect their
13 data in units which can be useful to local communities.
14 For example, even if an agency has a territory that is
15 quite large, within that territory they should be able
16 to break down their data collection systems to the
17 local community level and then also have something for
18 the larger area.
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
In Chief

Secondly, agencies should work with social scientists and/or impact assessment personnel to accomplish the following tasks.

1. To inventory the existing data sources so that we know what is available, what kinds of forms people are using and what kinds of data might be there already that we could be drawing upon.

2. To determine which types of data would be most useful to both impact assessment and to the agencies' internal affairs. In other words, we are not trying to ask the agencies to do something just for us. We feel that if information is going to be meaningful for us, it should be meaningful for them too.

It'd like to give just a little example of that. We found that the number of food stamp recipients in Fairbanks declined by 90% during the pipeline period and we wanted to know. ^{why} Well it is my feeling that the Department of Health and Social Services which administers the food stamp programs ought to be just as interested in knowing why and appropriating the appropriate personnel and so forth to meet the change in needs. So it isn't just for our benefit to find out ^{but to} why this happened theirs too so that they can plan for other projects.

When I went to talk to the Commissioner of Health and Social Services, he of course was very interested. Only we had found that information ^{months before} several I got a chance to talk to him. He had no idea that there had been a decline even by 90%. So I think sometimes even though it would be in the interest of

Dr. M. Dixon
In Chief

1 agencies, they don't even know what is in their own
2 interest sometimes. That sounds terribly paternalistic,
3 but I think it is true.

4 3. I think that this joint effort is needed to set
5 up an efficient data collection and retrieval system.
6 I suggested efficiency because I think that if we make
7 too complex a system that people are not going to want
8 to cooperate and it will be very difficult to make it
9 work. I think that some kinds of systems that can be
10 set up without requiring very much more in terms of
11 time, energy or money is just a matter of setting it up
12 in an appropriate way.

13 4. I feel that this combined effort should be directed
14 towards monitoring activities on a regular and appropriate
15 basis. In other words, this could be monthly or
16 quarterly or it could be according to some structure
17 of activities within that particular organization so
18 it would be appropriate. And,

19 5. To develop time depth in the data collection system
20 so that once you set up a system, you are not only
21 working forwards in collecting data on this regular
22 basis but you are also organizing your data in a
23 historical sense to go backwards so that you can develop
24 long-term trends.

25 My third suggestion, even though
26 it sounds like I have made more than three in terms
27 of State Government is that administrators at the
28 highest levels must understand the need for data
29 collection activities and give them a sufficient priority
30 to enable the program to be carried out within their
agencies. I think that if the people in

Dr. M. Dixon
In Chief

1 charge don't look at this as an important activity, that
2 certainly the people under them won't. So I think it's
3 important to work with these administrators and educate
4 them into the importance of why ^{this} data is needed and
5 could be helpful.

6 I don't know if this follows
7 in terms of the State responsibility or Federal
8 responsibility and I don't know in Canada if this would
9 be provincial or territorial or federal. But I think
10 that it's necessary to conduct a census ^{when needed} rather than
11 only every ten years as we have in the United States.

12 As for the Federal Government,
13 many of these suggestions for State agencies
14 which I enumerated also apply to the Federal Government.
15 I won't go back through those again. In addition
16 however, I think that the Federal Government can make
17 certain significant contributions to our data collection
18 activities. These would include census activities as
19 I mentioned before -- particular in the larger
20 communities. I think in the small communities sometimes
21 agencies can -- or the communities themselves --
22 can do the census. But in the large communities like
23 Fairbanks, there needs to be a more systematic approach
24 that can only be done through the Census Bureau.

25 Second, we have really found
26 a very great need for a cost of living survey. Inflation
27 has been a root problem for many other problems. We
28 don't really know what the rate of inflation has been
29 during this pipeline period. In the United States,
30 the Bureau of Labor Statistics which is part of the

Dr. M. Dixon
In Chief

1 U.S. Department of Labor has established methods for
2 collecting cost of living information and that would
3 have been very useful to us to try and have that informa-
4 tion for Fairbanks. We've certainly been trying to
5 get that type of information but we've been unsuccessful
6 at doing that.

Dr. M. Dixon
In Chief
Cross-Exam by Sigler

The third thing that I think the Federal Government can do towards making a contribution to understanding impact and monitoring it is to provide support and encouragement for the development of social science in areas of impact assessment and I think this can be done through both support of specific research projects and through training programs for specialists in this field which there just aren't very many right now. I think the state of the science is in very poor shape and really needs quite a bit of work. Does that answer your question?

MR. ROLAND: Thank you very much. Mrs. MacQuarrie?

MRS. MacQUARRIE: No questions.

MR. ROLAND: Mr. Sigler?

CROSS-EXAMINATION BY MR. SIGLER:

Q Does the centre monitor state-wide activities or just the activities affecting the borough?

A Yes. The Fairbanks North Star Borough's Impact Information Centre, to which I've been referring to primarily, is funded by local government, meaning the borough, and is specifically set up only to monitor activities in the borough, and I think it would be very helpful to have state-wide monitoring and in some cases we've tried to do some comparative work but because of the funding and political constraints and so forth, it's just been monitoring the borough, except in our contractual

Dr. M. Dixon
Cross-Exam by Sigler

1 arrangements with the rural impact information
2 project which did some kinds of monitoring activities
3 for the rural areas in interior Alaska.

4 Q Are there any other
5 boroughs that have similar centres?

6 A In Alaska during the
7 pipeline period there have been three Impact Informa-
8 tion projects similar to the one that I discussed.
9 One is the impact on the North Star Borough. One is
10 the Rural Impact Information project for interior
11 Alaska that I've also mentioned; and the third is
12 the Copper River Impact Information project which
13 was conducted in the Copper River Delta area.

14 In addition to that, there's
15 a few other studies that might be noteworthy, and I'll
16 just mention them for the record. Some socialologists
17 from the University of Alaska in Anchorage, under
18 the leadership of Dr. Michael Baring-Gould have conducted
19 studies in the Town of Valdez, and most recently a
20 type of information that's just coming out is a study
21 that's being conducted by Dr. John Kruse at the Univer-
22 sity of Alaska's Institute for Social & Economic
23 Research, and he's been doing an attitudinal study,
24 a survey of approximately 400 or 500 families in the
25 Fairbanks area. That, I think, compliments the work
26 that we've been doing very nicely but it's not, you
27 know, for a different area. So those are the major
28 studies that have been conducted and I'm sorry to
29 report that there isn't more, at least that I am aware
30 of.

Dr. M. Dixon
Cross-Exam by Sigler

1 Q You would recommend,
2 if it was starting again now, that there be a state-
3 wide monitoring centre or Information Centre?

4 A The only thing, there
5 was an intent -- I should back up and say there was
6 an attempt in this direction at one point. Infact the
7 Federal Government loaned a federal employee to the state
8 to set up a state-wide impact information project, and he
9 was on loan for two months and essentially what he
10 did was contact each of the state agencies and tried
11 to set up internal monitoring within the state
12 agencies, which we would have found very useful, and
13 they designated the assistant or the deputy commis-
14 sioners of each of the state agencies to be liaison
15 people; but after that two-month period nothing mater-
16 ialized. There's one notebook that essentially material-
17 ized from this. That kind of tells what each of the
18 agencies did to address impact problems, but it doesn't
19 have any ongoing monitoring program.

20 That was an unsuccessful
21 program from the viewpoint of monitoring, but I feel
22 that yes, because so many of the services in Alaska
23 and so much of the information that would be useful
24 comes through state agencies, that it would be very,
25 very helpful to have some kind of program set up that
26 involves them.

27 Q And the state-wide
28 one could presumably achieve the same things on the
29 state level that the Fairbanks North Star Borough
30 Centre has achieved on the borough level.

Dr. M. Dixon
Cross-Exam by Sigler

1 A Well, I think it would
2 be different kinds of information. It wouldn't be the
3 same types of information, possibly. It would be a
4 different type of information but it would be similar
5 in terms of regular kinds of monitoring and similar
6 in terms of making the information public and in try-
7 ing to make it useful to the public; but it would
8 be different subjects essentially, that would be
9 covered.'

Dr. M. Dixon
Cross-Exam by Sigler

1 Q Did you find in
2 setting the North Star Borough Center that there is a
3 shortage of base line to begin with?

4 A Absolutely. Yes, there
5 definitely is and I think that it's another thing when
6 we talk about monitoring or making studies that you
7 can't wait until the day that the pipeline starts
8 because you need some kind of ^{time} depth in what you are
9 doing. Even Dr. Kruse's data which I just made
10 reference to -- his survey I think was very well done
11 and the methods he uses are very good. The
12 information is very interesting. But it would have
13 been especially useful if he had done it five years
14 ago or ten years ago, five years ago, three years ago
15 this year and then five years from now to see what
16 kinds of trends there are because we're involved in
17 a lot of prophecies that we don't understand. There
18 is a lot of evolution or change that is taking place.
19 When you just take one point in time, it's very hard to
20 draw any kinds of conclusions or analysis from looking
21 at a single point in time. I think we need to look at
22 the larger picture.

23 Q So that when you answered
24 the judge's question about divorce rates
25 that your answer was that there was no base line data
26 to begin with so the comparison could not be too
27 precise.

28 A Well, one of the --
29 let me just clarify that. My answer to his question
30 is that there wasn't a census available so we couldn't

Dr. M. Dixon
In Chief

1 talk about rates because rates would be the number of
2 incidents per population. That's not quite the same
3 as base line because actually with the divorce data,
4 we have been able to get a base line because we are
5 using court dockets and we can just go back in years
6 and get that data the same way we are getting today.
7 So we can get a base line on that. But there are
8 some things that you can't get a base line because
9 nobody kept a record or the methods of record keeping
10 have changed.

11 Q So the Center then should
12 start up ideally prior to the actual impact being
13 felt in the community?

14 A Well, ideally -- well, a
15 couple of things I think would be ideal. One is I
16 think the State would benefit from some type of a
17 monitoring program of State agency
18 activities regardless of whether there was impact or
19 not. This just sets what needs were in different
20 areas and how those needs were being met and so forth,
21 just to give a better understanding of what is going
22 on regardless of whether there is any special activities.
23 Then this would certainly provide a base line. But that
24 is you know, two separate kinds of issues.

25 The other thing that you could
26 do would be some kind of long term regional studies
27 in regions where you are expecting growth over a period
28 of years that would give you base line and data over
29 time -- you know, -- some kind of time depth to what you
30 are doing.

Dr. M. Dixon
Cross-Exam by Sigler

1 Then of course the third
2 approach is that recognizing say that the Mackenzie
3 Valley is going to be a potential area where a lot of
4 changes are going to occur, ought to begin a program
5 now or two years ago or whenever, to collect informa-
6 tion or study the Mackenzie Valley so that when the
7 pipeline comes along if there is a pipeline or when
8 other activities come along, there is some kinds of
9 continuity in terms of the type of information that's
10 available for understanding what kinds of changes are
11 occurring.

12 Q I am not just entirely clear on
13 just who the center was set up to monitor or whom it
14 was set up to monitor to? Presumably, it was set up
15 by the borough council to monitor back to that council
16 or was envisioned initially that it would monitor its
17 results of its information -- the information that's
18 gathered would be circulated more widely?

19 A Yes. I think it was
20 founded on very broad principles that would make this
21 type of information public to anybody who wants it.
22 In other words, that there would be a source of informa-
23 tion where there was none before. All of our files,
24 our reports, everything that we have done is open to
25 anybody. Anybody can walk in from the street. It's
26 not for anybody in particular. But since it is being
27 funded by the community, it does have that kind of a
28 community focus. I think that in my testimony where I
29 was quoting from Mr. Parr who is presiding officer of
30 the Borough Assembly at that time, his idea was that this

Dr. M. Dixon
Cross-Exam by Sigler

1 should be a type for information that could be used
2 by anybody in the community essentially who wanted to
3 use it.

4 Q Was one of its initial
5 functions to assist in the actual community planning
6 by the Council in terms of planning new sub-divisions
7 or whatever within the community?

8 A Well, not that it would
9 make recommendations in terms of planning but that the
10 data would be there so that people who wanted to make
11 decisions about those kinds of issues could have access
12 to some kind of data upon which to base their decisions.

13 Q Your evidence was that it
14 has actually assisted the Council in carrying out its
15 planning functions?

16 A I think so. That's a
17 difficult question to deal with it honestly because you
18 can -- it's one of those cases of maybe -- you can lead
19 a horse to the water but you can't force it to drink.
20 If people want to use the information, it's there for
21 them to use. But if they don't want to or if for some
22 other reason, their decisions are being motivated by
23 certain political or economic considerations that are
24 outside of the scope of this particular information,
25 then there is no way that, we are not involved in the
26 decision making process. We are just trying to help
27 people make more enlightened types of decisions.

Dr. M. Dixon
Cross-Exam by Sigler

1
2 Q For the planning
3 process by the borough, do they have the power to make
4 the planning decisions for the community or is there
5 a statewide planning board or anything else that they're
6 subject to?

7 A Okay, in the borough
8 itself, one of the borough functions is planning and
9 zoning, and there is a Department of Planning and
10 Zoning. We were not within that department and nor
11 did we take over any of the functions of that department.
12 That department continued to function during the whole
13 period that we've been functioning, also specifically
14 for the purposes of planning and zoning. This is in
15 addition to that.

16 Q But the borough had
17 its own department for that?

18 A Right.

19 Q Now, in addition, does
20 the state have a department of planning that is available
21 to the boroughs for assistance?

22 A Okay. The state has
23 a State Department of Community -- the state has several
24 planning kinds of functions but the one I think that
25 would be closest to what you're talking about is the
26 State Department of Community and Regional Affairs,
27 primarily though, that provides planning assistance to
28 areas which are not organized into boroughs. The borough
29 is kind of like a county. I'm not sure what it would
30 be equivalent to in Canada, but one of the -- when a

Dr. M. Dixon
Cross-Exam by Sigler

1
2 borough incorporates, it must take on a planning function,
3 but there's many areas of the state that are not
4 incorporated that don't have local government and the
5 Department of Community and Regional Affairs primarily
6 provides planning assistance to -- will provide planning
7 assistance to local communities which do not have
8 borough planning functions, primarily, although they
9 will assist other groups when they're asked to.

10 Q So where there is an
11 organized borough council, that they take on most of
12 the function themselves?

13 A M-hm.

14 Q Is any of the information
15 that's gathered used to provide an input into enforcement
16 agencies, to the agencies that actually enforce, say,
17 the local hire or minority hire policies?

18 A The example that I gave
19 in my testimony, I thought, was a very good one. The
20 special report that we did on Alaska Hire, minority
21 hire, focused in part, on enforcement activities in
22 the areas and the deficiencies which we found in terms
23 of enforcement activities and this report was sent
24 not only back to those agencies but also to the State
25 Legislature and other people on the state government
26 and it was reviewed publically and it was also sent to
27 a variety of special interest groups which were already
28 on our mailing list, such as groups representing ethnic
29 minorities and women and other people that are considered
30 minorities in the labour force. So, by making that

1 information public, there was a certain amount of
2 pressure upon those agencies to respond. Indeed, as
3 I mentioned in my testimony, the Commissioner of Labour,
4 read our report and called us to say that he had made
5 a list of all the problems that we had cited in our
6 report and had detailed somebody in his agency to follow
7 up on each of those problems and to come up with
8 potential solutions and it was only after that that
9 the residency card programme was developed, for example,
10 in the state of Alaska. Prior to that time, and one
11 of the things that we pointed out in our report is that
12 people were using driver's licences as evidence of
13 residency and that a person could come to Alaska the
14 very first day and if they had five dollars they could
15 get a drivers licence and be considered a resident.
16 So, they really did address some of these enforcement
17 types of problems as a result of the information, I
18 think, not just that they didn't know that that was
19 going on, but as a result of making that kind of informa-
20 tion public and probably bringing some kind of public
21 pressure to bear on them.

22 Q These state officials
23 that were responsible for the enforcement of these,
24 say the hire policies in Alaska?

25 A Right. In other words,
26 according to title 38 of the Alaska Statutes, which is
27 the local hire law, the State Commissioner of Labour is
28 responsible for enforcing local hire. One of the things
29 that the State Commissioner of Labour was required to
30 do is set a quota for local hire for projects

1 such as the pipeline and one of the things that had
2 happened is there was an election during the year that
3 the pipeline began and there was a new Commissioner
4 of Labour appointed, so during the first year the
5 outgoing Commissioner of Labour had never set a quota
6 and during the first six months of his tennure, the
7 incoming Commissioner of Labour had never set a quota
8 and essentially nobody was calling upon this individual
9 to exercise his enforcement function that he was supposed
10 to have and I think partially as a result of our report
11 in this area, the Commissioner did come up with a
12 policy. The policy, however, was not to set a quota,
13 but to amend the regulations to give first preference
14 to Alaskans, instead of setting a quota system.

15 Q Was the Commissioner of
16 Labour operative before the pipeline activities began
17 in the state?
18

19 A Excuse me?

20 Q Was the Commissioner of
21 Labour something that existed prior to the pipeline
22 activities?

23 A Yes but you
24 see, the state -- part of the problem was, and I think
25 this is a real problem that perhaps maybe Canadians
26 could learn from our experience, the state passed this
27 local hire law in relation to the pipeline, very shortly
28 before pipeline began. It's a way of addressing issues
29 of local hire, but even though the law was passed, the
30 regulations for enforcing the law were not developed

1 until quite some time later and so there was a big
2 delay in developing regulations and you know, first you
3 have the law and then you develop the regulation, then
4 you set up the institutions to carry out the regulations
5 and all of this really delayed the enforcement activities
6 considerably so that the law was essentially ineffective
7 and has been ineffective until very recently.

8 For example, the law addressed
9 the issue of hiring, local hiring, but it never addressed
10 the issue of firing or during the lay-off period so
11 that while Alaskans could be hired first, they could
12 also get fired first and eventually this legislative
13 session amended the law to include -- to be a law about
14 local employment as opposed to hiring. So it could
15 encompass various aspects of employment. But, it's
16 taken, -- it's only a three year project and it's
17 taken three years to work out the bugs essentially.

18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler

1 Q That's another reason
2 I was asking the question about enforcement. I wanted
3 to ask for your opinion of whether you feel that the
4 monitoring function and the enforcement function should
5 be done by the same agency.

6 A Well, partly enforcement
7 activity ought to include some kinds of monitoring.
8 One of the things that we found out is that the enforce
9 ment agencies were not doing monitoring. For example,
10 again I'm sticking/^{to}the local hire situation as one
11 that seems applicable here, there are some I believe
12 11 different agencies responsible for minority hire
13 activity. It's a very fragmented system. Each of
14 the agencies receives complaints and acts upon
15 specific complaints, but none of the agencies is
16 empowered to go out into the field and to do some kind
17 of survey and find out what the actual overall situa-
18 tion is and to conduct enforcement activities in kind
19 of a class action approach, if you can call it that.
20 Instead, each of the agencies is sitting in its own
21 office, usually in an inaccessible place, usually
22 without very many investigators, and what they can
23 do is receive complaints from specific people and act
24 on them. But there was no monitoring.

25 All the monitoring of minority
26 hire and Alaska hire on the pipeline has been done
27 by the pipeline companies themselves, and has been
28 submitted to the State and Federal Governments. There
29 has been no independent monitor for those activities
30 to date, and I think that this is a very weak approach

Dr. M. Dixon
Cross-Exam by Sigler

1 to enforcement, and I don't know if it would be
2 better to have -- I mean I personally feel that in
3 order to be effective in enforcement that there has
4 to be a monitoring component of the enforcement, you
5 know, that's independent from any contractors and the
6 oil companies.

7 Q Not to rely on information
8 that the companies provide but have your own infor-
9 mation.

10 A Yes. I mean, you know,
11 the system is too open to loopholes, the system that
12 we've been functioning under. But now whether those
13 specific monitoring activities should be done by a
14 group like the Impact Information Centre or should be
15 done by the enforcement group, I think that's open to
16 some kind of question. My preference would be that
17 it should be done by the enforcement group and that
18 the information should be made available to the
19 Impact Information Centre because essentially if we
20 do it the other way around, what we're doing is forcing
21 the Impact Information Centre to have a bigger staff
22 and a bigger budget and to be subject potentially
23 to more criticism for being a growing bureaucracy.
24 I would rather set up a greater co-ordination and co-
25 operation between a group like the Impact Information
26 Centre and other agencies, and put more of the data
27 collection on other agencies.

28 Q So the data that's
29 collected by the enforcement agency could be used by
30 them, but also provided to the centre.

Dr. M. Dixon
Cross-Exam by Sigler

1 A Right.

2 Q Now, the funding for the
3 centre itself in the North Borough was primarily from
4 borough funds. I understand you mentioned there's also
5 some state funding.

6 A Right. The first year
7 the centre was funded through the state impact
8 funds. I don't know if you're familiar with this.
9 Maybe I should go through a little bit of the history
10 about state impact funds, it might be something that
11 you're not familiar with.

12 When the state leased the
13 land at Prudhoe Bay, it received approximately \$9 million
14 in oil leases, and they felt a portion of that money
15 ought to go towards helping local communities deal with
16 the problems that were generated by that development
17 of the Trans-Alaska Oil Pipeline. So in 1974 the
18 Legislature made a direct appropriation to what they
19 considered pipeline corridor communities, one of
20 which was Fairbanks, and they did this not based on
21 any particular formula or application or anything,
22 they just said, "The Fairbanks North Star Borough
23 gets \$3 million; the City of Fairbanks gets \$3 million;
24 and so forth. The Fairbanks area, all told, I don't
25 have those figures right with me, I know somebody else
26 here does and I can look it up, they got about \$7
27 million from impact funds.

28 Then there was a cry from
29 the local communities that this was insufficient, and
30 the Legislature was called back into special session

Dr. M. Dixon
Cross-Exam by Sigler

1 that summer of 1974 and passed a second appropriation
2 for impact funds, and this was -- this appropriation
3 was given to the Department of Community & Regional
4 Affairs to administer and local communities could
5 apply to the Department of Community & Regional
6 Affairs for funds for specific purposes. These were
7 restricted grants, they were called discretionary
8 grants that were limited to the purchases of relocatable
9 classrooms, to purchase of green space in areas that
10 were being threatened by development, and to I believe
11 operating expenses. They also had a condition attached
12 that the local government could not reduce its taxes
13 -- could not use this money to reduce its local taxes
14 responsibilities.

15 So in this way there were
16 certain funds made available to local communities to
17 direct impact problems, and the Fairbanks North Star
18 Borough decided to use a portion of its funds from that
19 first appropriation to help fund the Impact Information
20 Centre. That's how those funds came into being.

21 One of the other conditions --
22 those funds were only made available for one year and
23 when those lapsed then the community took on funding
24 through local taxes.

25 Q And that's the way it's
26 now funded?

27 A Right.

28 Q There's no federal
29 funding then for it.

30 A No.

Dr. M. Dixon
Cross-Exam by Sigler

1 Q Now, is there --

2 A I just thought, I know
3 you didn't ask this question but I thought I would
4 comment on that a little bit. While it would be very
5 nice to have a little bit more towards the source of
6 funding, and maybe not make the local community bear
7 that responsibility, there has been one advantage
8 of the local communities assuming local funding and
9 that is that they have been very involved in the
10 program and have wanted to have -- you know, they've
11 had control over the program, they've participated
12 in it, they've made demands on it in terms of what
13 they want to come out of it, I think they've used it
14 a lot more than maybe if they didn't have.

15 Q Because they have
16 actually funded it.

17 A M-hm.

18 Q Has there been any
19 consideration given by the borough of post-construction
20 period monitoring?

21 A Essentially that's what
22 this year's funding was for. It's quite a debate. I
23 should say that the local funding has not come easily
24 and there has been much divided feeling about that,
25 especially Fairbanks is a relatively conservative
26 community and has the dominant feeling that people do
27 not want to expand local government, and they said, "Well,
28 we're going to do this for one year to monitor the
29 pipeline, but the pipeline is going to be over this
30 year; why should we continue it?"

Dr. M. Dixon
Cross-Exam by Sigler

1 The main argument for con-
2 tinuing it is that the impact of the wind-down period
3 could end up to be as significant as the impact of
4 the construction period.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler

1 Q Well in your direct evidence
2 this morning, you stated that it will take years to
3 determine the actual impacts, overall impacts of the
4 pipeline. So I just wondered from that comment as to
5 what monitoring will be done.

6 A Well I am sure that after
7 this year, it'll be discontinued unless there is a gas
8 pipeline that people perceive of as being a project that
9 needs further monitoring. However, it's possible that
10 the Impact Center will be discontinued and would be
11 -- as an impact center -- but that the need for this
12 type of community information would be perceived of as
13 being a continuing need and that that center could be
14 modified to serve a similar function in a different
15 context.

16 One of the suggestions that
17 has been made for a long time is that the local library
18 should be an information ^{resource} center and should have as a
19 portion of it this particular function
20 along with the function of providing referral and other
21 kinds of information. So, something like that could
22 happen in terms of this program.

23 Q But right now there is no
24 definite decision made on it?

25 A No, we are on a year to --
26 fiscal year to fiscal year funding basis. So there
27 aren't any long term -- there isn't any long term
28 planning in relation to this.

29 Q What about the more general
30 sense of planning by the borough for the post construction

Dr. M. Dixon
Cross-Exam by Sigler

1 period. You mentioned one -- under your summary some
2 of the problems that have been shown is say the housing
3 of the large number of institutional housing structures
4 that have been built such as hotels and that. What is
5 going to happen to all these institutional houses or
6 non-conventional housing that's spread out after the
7 construction period ends. Does the borough address itself
8 to that at all?

9 A Well that's a question
10 everybody is asking. I don't think there was -- I
11 don't think that there was much specific planning in
12 this regard prior to the pipeline. At this point is
13 very strong feelings about the positive value of free
14 enterprise and government not involving itself in
15 business decision making at the local level in Fairbanks.
16 There is a real resistance to that kind of planning in
17 Fairbanks I think.

18 THE COMMISSIONER: They are
19 discussing that at Kansas city today, I think. Aren't
20 they?

21 A I think so. So essentially
22 there hasn't been much control in this area.

23 MR. SIGLER: But has the
24 construction period ^{and post boom} put a strain on the provision -- on
25 the local taxpayers to provide the public services, the
26 infrastructure of the community services?

27 A Well I think the community
28 of Fairbanks made a very conscious decision not to do
29 that. Maybe a lot of the problems that Fairbanks has
30 experienced has been as a result of that decision and

Dr. M. Dixon
Cross-Exam by Sigler

1 certain kinds of values. I think maybe values in
2 Canada might be a little different but let me see if I
3 can explain this to you.

4 THE COMMISSIONER: Excuse me.

5 In Fairbanks, the city fathers really decided to tough
6 it out and not to expand public services to accommodate
7 the influx of population thinking that if they could
8 tough it out then when the pipeline boom was over, they
9 would be able to return to normal civic administration.
10 Does that --

11 A Yes, I think that's right.

12 I think several things influences their decision-making.
13 One was the history of the boom - bust cycle and that
14 they assumed that this was going to be another boom -
15 bust situation and that they didn't want to bear the
16 tax burden for that exactly as you explained it.

17 Also I think that there is a
18 real individualism in Fairbanks which manifests itself
19 in terms of a very negative attitude towards taxes.
20 People wanted to benefit from the pipeline in an
21 individual sense by passing the profits along to
22 individuals^{and} businesses but not in a community sense by
23 undertaking any capital improvement of any significant
24 size for the community. Consequently, the tax rates have
25 not gone up during this period. The bonded indebtedness
26 has gone up primarily in relation to schools which were
27 already overcrowded. But there have not been any
28 specific programs to address pipeline needs through capital
29 expenditures or investments.

30 MR. SIGLER: Were there any

Dr. M. Dixon
Cross-Exam by Sigler

1 recreational facilities added or --

2 A The voters approved a
3 bond issue for swimming pools in Fairbanks. But that
4 was not prior to the pipeline. They had not been
5 constructed yet. The Borough Assembly has really
6 resisted appropriating the money and getting going with
7 that.

8 Similarly there is
9 a conflict between voters. Some voters would like to
10 see more community services but the Borough Assembly
11 which does the appropriating of money is resisting
12 raising taxes and resisting providing of services. So
13 for example, the voters voted for ^apublic transportation
14 system but the Borough Assembly wouldn't appropriate the
15 money for it. It's kind of a tug-of-war in that sense
16 because there are different values expressed but the
17 dominant political -- the values of the people that are
18 in dominant political positions are not to expend
19 money.

20 THE COMMISSIONER: Excuse me.
21 You said that their expectation was that this was
22 another boom - bust situation and we had a panel here
23 that Arctic Gas presented a month ago who discussed the
24 history of Alaska booms and busts. Do you agree that
25 it essentially is likely to be a boom - bust situation?

26 A I think that's a very
27 complex question. It's one that everybody wants to
28 answer. I think that there is a lot of things happening
29 here one of which is the potential for self-fulfilling
prophecy. In other words, if people believe that it's a

Dr. M. Dixon
Cross-Exam by Sigler

1 boom - bust situation, then they won't make the
2 investments that will enable the community to grow and
3 then they can bring about a boom - bust situation.
4 On the other hand, there is a lot of prospects for
5 development in the north which would put Fairbanks into
6 the position of being a ^{supply and} and transportation center and
7 possibly continuous growth and if they viewed their
8 role as that role for the future and to expect to create
9 the kind of environment that would enable that to
10 happen then that could happen.

11 In other words, I don't think
12 that the die is cast necessarily by any -- I think a
13 local community has some controls over that in terms
14 of these decisions are being made but at the
15 same time, the local community is also subject to a lot
16 of forces that they have no control over such as the
17 national and international markets for minerals and
18 other natural resources, federal and policies of the
19 multi-national corporations about where they are going
20 to be investing money and so forth which really the
21 local community has no control over.

22 So it's a very complex situation
23 of a lot of factors and I don't think I can answer that.
24
25
26
27
28
29

Dr. M. Dixon
Cross-Exam by Sigler

1 Q One other matter.

2 A M-hm.

3 Q The panel called by
4 Arctic Gas was led by a witness who -- and I've made
5 extensive notes of what he said and I have my notes
6 before me, and I haven't got his name. What was his
7 name?

8 MR. GOUDGE: Mr. Boorkman.

9 THE COMMISSIONER: Boorkman,
10 Mr. Boorkman; did the Commission staff send you his
11 evidence to look at?

12 A No, I haven't seen it.
13 I have met with Mr. Boorkman before.

14 Q Oh, have you?

15 A But I don't know exactly
16 what he's testified to. I'm not sure that I'd be
17 prepared to comment; if you want to try me on it, I'll
18 see if I can.

19 Q Well, no, I thought
20 they might have let you see it. I just wanted you
21 to comment if you -- if there was any area where
22 you disputed his findings. He really discussed the
23 enormous in-migration that occurred which so far as
24 they could determine what it was over the last two
25 years, it was something close to 80,000 people state-
26 wide. Owing to people from the lower 48 coming up,
27 many of them on spec, thinking that they would get
28 big paying jobs on the pipeline and so forth, and
29 then he traced all of the impacts, the effect on
30 housing, the effect on health services, and so on. It

Dr. M. Dixon
Cross-Exam by Sigler

1 was very interesting and very helpful and I assume
2 that it's really authoritative and I just wanted to
3 test that assumption by seeing what you thought of it.
4 So maybe when you go back to Alaska or when you go
5 back, Mr. Roland will give you a copy of that to take
6 and if you have any comments, just write us a letter.
7 We won't bring you back.

8 A Fine, I'll be glad to
9 do that.

10 THE COMMISSIONER: Go ahead.
11 Sorry, Mr. Sigler.

12 MR. SIGLER: Q Well, I was
13 just trying to test you out a bit on your conclusion
14 where you didn't want to answer the question of over-
15 all, has it been positive or negative for the people
16 of Fairbanks, and your answer to get around it you
17 said there was positive and negative elements of it.
18 I wonder if you could just set out some of the more
19 positive and negative elements of what's happened in
20 Fairbanks, just in summary.

21 A All right. There's a
22 lot of ways to approach this. As I said what could
23 be considered positive, you can do it by groups that
24 are affected in different ways, or by factors of what
25 happens in a community or so forth. In general the
26 positive aspects have been increased employment
27 opportunities, very rapid upward mobility in terms of
28 jobs and employment and income for local people. This
29 is one aspect that I didn't have specific data to
30 share with you on, but at the Alaska Science Conference

Dr. M. Dixon
Cross-Exam by Sigler

1 which was held two weeks ago, Dr. Kruse presented his
2 preliminary findings from his study which were astound-
3 ing, and I'll just kind of make reference to them and
4 tell you that this isn't my data and it's preliminary
5 and so forth, but I think that it kind of suggests the
6 magnitude of that situation.

7 If you'll give me just a
8 minute I'll comment on that because I think that it
9 illustrates what we're talking about.

10 In 1973, 35% of the population
11 had an annual income, family income of less than \$12,000.
12 By 1976 only 9% had an income of less than \$12,000.
13 This is reported income from the survey.

14 By the same token in 1973,
15 only 6% of the population had an annual family income
16 of \$40,000 or more; and by 1976 39% of the population
17 was reporting a family income of \$40,000 or more.
18 Of course he has figures in between there that
19 suggested a significant shift in terms of family
20 population toward a much higher family income.

21 At the same time, because the
22 labor market has increased significantly, both due
23 to expansion created by a fast-growing economy and
24 direct pipeline impact, there have been a lot more
25 jobs available at the local level than there have
26 been before, and few people to fill them. Consequen-
27 tly people were brought into the labor force who had
28 never entered the labor force before and were in some
29 ways disadvantaged in terms of working either because
30 of their education or their minority status, English

Dr. M. Dixon
Cross-Exam by Sigler

1 as a second language, or being handicapped or whatever.
2 So there's been a lot more employment opportunities
3 for people that didn't have them before, and a lot more
4 rapid advancement.

5 So I would say that those
6 are probably the basic kinds of benefits and maybe
7 benefits that could possibly flow from those things
8 such as people perceive positive changes in their
9 lifestyles as a result of greater income.

10 In terms of negative aspects,
11 that increased income and so forth represents to some
12 extent inflationary effects of the pipeline, and that
13 inflation has certainly hit hard among people who are
14 on fixed incomes, people who are not engaged in
15 pipeline jobs, and people who are dependent upon
16 government services which are -- or government employment,
17 I guess it's like having fixed income but incomes which
18 are set by federal standards which don't take into
19 account the local situation.

20 This has created a lot of
21 problems particularly in regard to shortages for
22 housing in the community, which has required much
23 more intense competition for housing and people who
24 cannot afford housing have gotten into real problems,
25 and so forth.

26 There have been certain --

27 Q I take it just on that ,
28 you say things like the cost of housing has gone up,
29 together with a corresponding increase in the costs
30 that have been coupled with the rise in incomes.

1
2 A Well, the cost of housing
3 is kind of an interesting question, I think it's gone
4 up for a number of reasons. We've had some situations
5 where landlords have simply tried to take advantage of
6 the situation and have escalated rents in disproportion
7 to costs and this --

8 Q There's no rent controls
9 at all, right?

10 A The state instituted
11 an Emergency Rent Review Board eventually, to try and
12 deal with some of these kinds of problems. So that --
13 you know, that's been a problem.

14 It's interesting that one
15 of the things that Dr. Kruse's study has shown is that
16 even the people who felt that they had benefitted from
17 higher income, due to pipeline, felt that they had
18 sacrificed certain values and that this was a negative
19 aspect. In other words, they might be receiving
20 benefits in terms of incomes but they were paying
21 costs in terms of sacrificing their values and similarly
22 the people who did not participate in pipeline employment
23 felt that they had -- and felt that they had not
24 sacrificed values necessarily, felt that they were
25 bearing more of the costs of the pipeline in terms of
26 changes in their lifestyle in terms of changes in their
27 -- the purchasing ability, their incomes and so forth.

28 Other kinds of problems -- I
29 guess I've been addressing this from the point of view
30 of how people perceive their own situation. Now, that
involves their own value judgement of what -- you know,

1 what they're -- where they're at and one of the things
2 that Dr. Kruse's data showed is that people that, overall
3 people felt that the community had changed for the
4 worst in just an overall sense. People who had lived
5 there less than 2.5 years -- 48 percent said they
6 felt the community had changed for the worst and people
7 who had lived in Fairbanks more than 9.5 years, 62
8 percent said they felt the community had changed for
9 the worse, so there were these values that people
10 associated with pipeline that showed that they were
11 both -- you know, he asked -- for example, do you
12 feel that you have borne the benefits of the costs and
13 overall, except for the people that had been in Fairbanks
14 less than 2.5 years, that's since the pipeline construction
15 began, and most of the people in the Fairbanks community,
16 more people said they had borne the costs than benefits.
17 For example, 16 percent of the people there 2 to
18 10 years said they had received benefits, but 50 percent
19 said they had borne the costs and so forth.

20 Q It must be difficult in
21 measuring impact to answer that, I can appreciate, because
22 all the benefits you're given are very tangible ones
23 that can be measured where the disadvantages you've
24 mentioned are all intangible ones that --

25 A Yes, and this is what
26 people are actually perceiving and again, I'm referring
27 here, not to my own studies but to Dr. Kruse's,

28 Now, if I refer to my own
29 studies, I have a very hard time with this because
30 what you're essentially asking me to do is look at a

1 change looking at community wide data rather than
2 perceived data from the individual and look at a change
3 and to try and tell you whether that change has been
4 positive or negative and let me tell you the kinds
5 of problems that I find with that. I decided that the
6 number of divorce complaints has gone up. Well now,
7 I could impose my middle class values on that and say,
8 "Gee, that's a terrible thing", or I could follow the
9 advise of one psychiatrist in Fairbanks who listened
10 to this data and said, divorce is a happy solution to
11 a bad problem and what you're forcing me to do is
12 say, can you count increased number of divorces as
13 a negative thing for the community or a positive thing
14 and what I would rather do to you is say, you give me
15 the area and I'll tell you the change and then you
16 decide whether that's been positive or negative.

17 Q Crime and protection of
18 the people and public protection in Fairbanks.

19 A Okay. The crime rates
20 have certainly gone up and I can cite the figures for
21 you if you would like, on that.

22 Q If you have them handy.

23 A Yes, it will take me
24 just a minute to talk about that.

25 Okay, in terms of overall
26 complaints, now, I'm just citing figures from the
27 Fairbanks Police Department. The Fairbanks North Star
28 Borough includes both the city of Fairbanks and it's
29 larger areas. As I mentioned earlier, the larger area
30

1 is part of a State Trooper detachment that includes
2 a much larger area and we don't really have the figures
3 just for the Fairbanks North Star Borough. This is
4 just the area of the city of Fairbanks, which is basically
5 the core area.

6 Q Right, and the Commission
7 has already heard evidence saying the relationship between
8 the state police and the Fairbanks police department.

9 A Right, okay.

10 So, for the total number of
11 complaints, I've been using 1973 as the base year, although
12 I think we need more time depth, we need to go back
13 further than that, but the pipeline started in '74, but
14 from 1973 to 1974, and these are calendar years, not
15 fiscal years that I'm citing the data for -- the number
16 of complaints to the police department increased by
17 35 percent and from '74 to '75 the total number of
18 complaints increased by 42.9 percent. The figures which
19 I'm citing, incidentally, are from Impact Information
20 Center report number 24 and I believe this has been
21 submitted as evidence too so that you can analyze these
22 in a little bit more detail by looking at them yourself.

23 Specific areas in which there
24 were increases that were perhaps more dramatic than in
25 other areas are in areas of robbery, which increased --
26 and again, I don't like to use percentages either,
27 because sometimes you're talking about very small
28 numbers, that when you talk about percentages, it looks
29 very dramatic and this is something that the news media
30 has tended to do. They'll tell you that there was a

1 300 percent increase in rape or something like that
2 and then you look at the figures and it goes from
3 two to six, and I'm not saying that's not 300 percent,
4 but the magnitude of the problem might be very much
5 less if you deal only with the numbers and not the
6 percentages.

7 THE COMMISSIONER: The
8 news media wouldn't do that in Canada.

9 A Well, I hope not. So,
10 I urge you to --

11 MR. SIGLER: At least not
12 today.

13 A I urge you to look at
14 the actual figures as well as the percentage figures
15 when you're assessing these kinds of things.

16 Q Yes.

17 A Anyway, I think the real
18 problem areas have been things like, auto theft, robbery,
19 assault on police officers and other kinds of assault.
20 There's been an increase in arrests for prostitution
21 and commercial vice. I'm not sure that that arrest
22 rate reflects -- to what extent that arrest rate reflects
23 any changes in crime. I think it more reflects -- it
24 reflects to some extent changes in behaviour, but it
25 probably to a greater extent reflects changes in
26 enforcement activities.

27 There have also been increases
28 in narcotics law violations and drug violations and
29 areas like that.
30

1 THE COMMISSIONER: Have you
2 got any figures relating to those last two items?
3 Because the last two matters would have some bearing
4 on the influx of people engaged in organized or semi-
5 organized criminal activity, that is prostitution and
6 the use of heroin and other drugs, which we would
7 all deplore, I should think but do you have any
8 figures on those last two items--
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler

1 A Yes.

2 Q That would be useful --
3 that would be meaningful to us.

4 A I'd like to associate
5 with these figures at least a little bit of explanation.

6 Q Sure.

7 A I'll give you the
8 figures first, since that's what you asked for.
9 In terms of prostitution and commercialized vice
10 in 1973 there were two arrests; in 1974, 16 arrests;
11 and in 1975, 68 arrests.

12 Q 68?

13 A Right.

14 Q What did you say,
15 "prostitution" and what?

16 A Commercialized vice.
17 That's the category, and I don't know if that's a tested
18 legal definition of prostitution versus other kinds.

19 Q Well, anyway, carry on.

20 A And in terms of narcotics
21 violations, the number of arrests went from 182 in
22 1973 to 276 in 1974, to 221 in 1975.

23 Q Would -- in Canada the
24 narcotics law includes the use of substances such as
25 marijuana, so that narcotics law violations in Canada
26 are a misleading guide.

27 A Yes.

28 Q Do you know if that
29 applies there?

30 A In these particular

Dr. M. Dixon
Cross-Exam by Sigler

1 figures which I have there's not a distinction made and
2 I'm sure that many, many of those arrests involve
3 marijuana arrests as opposed to arrests for hard
4 drugs. Let me just digress a minute and try and
5 explain what I think I know about these areas, and
6 these are areas that everybody wants to know about
7 and are areas that I don't feel/^{highly}qualified to discuss,
8 and I'm really aware of the limitations of my own
9 knowledge of these situations.

10 Let me just start with a
11 couple of comments on prostitution. One is historically
12 Fairbanks has been a place that has accepted prostitu-
13 tion as part of the local culture. It wasn't until
14 1950 when the military bases forced the city to make
15 prostitution illegal that it was even illegal, so
16 it's only been illegal for the last 27 years. Many
17 Fairbankans look upon prostitution in a generic sense
18 as not necessarily a negative thing. They
19 look upon it with a certain amount of nostalgia about
20 the good old days when everything was kind of colorful
21 and so forth, and that there wasn't any -- there
22 isn't a very strong negative value associated with it.

23 Q I see.

24 A The real negative value
25 comes with two kinds of prostitution, one is that
26 associated with organized crime and nobody really
27 knows to what extent that's happening in Fairbanks
28 at this point. The other problem is that we probably
29 have had an over-abundance of prostitutes in relation
30 to the demand in the community. It's made prostitutes

Dr. M. Dixon
Cross-Exam by Sigler

1 a lot more competitive and it's changed the whole
2 structure of the delivery system, ^{so to speak.} They no longer
3 operate out of bars and, you know, telephone booths,
4 but they're now out on the streets and they're accosting
5 people on the streets and this is kind of an embarrass-
6 ment to the city and as well as being uncomfortable and
7 a lot of other problems have been associated with it
8 in terms of street crime, and a certain amount of
9 brawling in the streets and ^{knifings and} rollings and other kinds
10 of activities, and I think this is what upsets the local
11 community. So this is probably a greater reason
12 for the crackdown in enforcement. It has to do with
13 wanting to protect the reputation of the community and
14 to make the streets safe, more than just any kind of
15 innate feeling that prostitution is inherently
16 negative.

17 Part of the problem with
18 cracking down on prostitution or gambling for that
19 matter is that you need an under-cover force, and
20 it's very difficult for a small town like Fairbanks
21 to operate an under-cover force. A person makes one
22 arrest and they're no longer an under-cover agent.
23 Everybody knows who they are, and they can't seem to
24 get people to perform under-cover activities effective-
25 ly. So like I said, the arrest is kind of a reflec-
26 tion of changes in the way that prostitution is
27 being carried out, changes in the way that enforcement
28 is being carried out, and also to some extent a
29 problem with enforcement activity.

30 One comment about the narcotics

Dr. M. Dixon
Cross-Exam by Sigler

1 law violations. There was a big effort that took
2 maybe a year of investigation, and there were a lot
3 of arrests that followed that involved heroin, and
4 made it look like there was ^{an impressive} / cleanup and so forth.
5 What essentially happened was that there was an
6 informal network in Fairbanks through which most of
7 the local people that were involved with drugs could
8 obtain their drugs, and it was mostly being bought
9 from friends who maintained their habit by selling,
10 essentially, but it was not organized crime. It was
11 a local thing. Well, police investigations cracked
12 down on all the local dealers who were dealing to their
13 friends primarily, a but they couldn't infiltrate
14 the next hierarchy and consequently what happened
15 is they cleaned up the streets from the local dealers
16 and they forced those using drugs to go into -- to
17 the organized crime, and the prices on the street
18 doubled, according to my sources, and that was just
19 about the time that we had a rash of armed robberies
20 and bank robberies and all kinds of things.

21 So I'm not sure that, you
22 know, that the approach toward law enforcement didn't
23 really aggravate some of the problems instead of
24 cleaning it up. So I think when we look at these
25 figures, there's a whole lot happening behind them.

26 Q Oh yes.

27 A That don't necessarily
28 get reflected in those figures.

29 MR. SIGLER: Well, has
30 law enforcement generally been a problem for the

Dr. M. Dixon
Cross-Exam by Sigler

1 Fairbanks Council to deal with during the construction
2 phase?

3 A Yes, because for one
4 thing it's been very difficult to keep police
5 officers. The pipeline has paid more for one week of
6 work than what a police officer can earn in a month
7 in Fairbanks, and there's been a relatively high
8 turnover rate among police officers, and the staff
9 -- the Police Department are under-staffed, and so
10 it's very difficult for them to carry out their
11 activities, to investigate reports of crimes such
12 as burglaries and so forth. Many times they go
13 uninvestigated and are never brought to trial because
14 there isn't a big enough staff to deal with it.

15 Even when they do try to
16 recruit, they can't find housing ^{for} / the people they're
17 trying to recruit, and it's been a real problem maintain-
18 the Police Force. Then the second problem has to do
19 with when you have a Police Force and you're trying to
20 deal with problems such as you know, related to vice
21 kinds of laws, that we need an under-cover force
22 which is virtually impossible to maintain in a small
23 town.
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler

1 THE COMMISSIONER: Commercialized
2 vice. Vice that has not been commercialized is in
3 another section of the Criminal Code.

4 A You are a man of the law
5 and I am not. But one of the things that I might
6 suggest that might be very useful for the Federal
7 Government or State Government to do is one of the
8 approaches that we understand is happening in terms
9 of organized prostitution -- now whether that is linked
10 to organized crime or not is that there is a ring that
11 sends prostitutes in a circuit that includes Fairbanks,
12 Anchorage, Valdez, Seattle and so forth, is they rotate
13 the people around fast enough that they can't get
14 recognized too fast by the local law enforcement people.
15 It seems that we could learn from that experience and
16 develop a police force that could function like a ring
17 so that people on the street wouldn't necessarily be able
18 to recognize the undercover people. You know, you could
19 draw upon that.

20 MR. SIGLER: With the advantages
21 of having other than purely local police doing the
22 enforcement of it.

23 A Right.

24 Q What about the training of
25 the local police? Is that done locally, the training of
26 new police officers?

27 A I don't know too much about
28 that. I know that State Troopers are primarily trained
29 in Sitka at an academy there. I don't know exactly
30 where training occurs for the city police or if they

Dr. M. Dixon
Cross-Exam by Sigler

1 hire people out of that same academy or they try to
2 recruit from outside. I just don't know.

3 Q What about the prosecutions
4 of the -- is that done by the City as well?

5 A I'm sorry, would you repeat --

6 Q The prosecuting or taking
7 through the courts -- is that prosecuted
8 by City lawyers or is that done by State or Federal
9 lawyers?

10 A Well it depends on the
11 nature of the crime but most of that is done through
12 the State court system.

13 Q What about the other
14 protection services other than police say like fire
15 prevention or fire departments? Is that done by the
16 City of Fairbanks?

17 A The City of Fairbanks has
18 fire protection responsibilities. There is no fire
19 protection in the borough except by voluntary fire
20 departments. There is currently a study being made of
21 that by Chip Wagner for the Fairbanks North Star
22 Borough. It has to do with comprehensive fire planning.
23 He is accumulating figures on fire problems of fire
24 protection. That study should be ready fairly soon.
25 Because he was doing that for the Borough under contract
26 with the Borough. We didn't engage in repeating that
27 kind of research so I don't have very good figures to
28 offer on fire protection.

29 One of the potential problems
30 though that I will suggest to you that he suggested

Dr. M. Dixon
Cross-Exam by Sigler

1 is that traditionally when you've had a -- when you are
2 involved in a boom - bust economy or if you are when there
3 is a levelling off or when people have over-invested,
4 is that the rate of arson increases dramatically during
5 the period after the pipeline. They are expecting that
6 to happen in Fairbanks. I don't know.

7 Q Has there been a problem
8 keeping trained fire fighters, the same problem
9 with the planning with police officers and losing them
10 to pipeline work?

11 A Well, not really because
12 there isn't a class of fire fighters on the pipeline.
13 You know, there isn't that class of employee .

14 THE COMMISSIONER: You have
15 security guards and the police can fill those niches.

16 A Right.

17 Q But you don't have fire-
18 fighters.

19 A Yes. The one place that
20 you do have an overlap has to do with the fire department
21 provides an ambulance and emergency medical services
22 in Fairbanks. There is a series of medics or emergency
23 medical specialists in -- they aren't really emergency
24 medical specialists but paramedical personnel in the
25 pipeline camps. I don't really know to what extent that's
26 been drained off the fire department staff.

27 MR. SIGLER: Do you have any --

28 THE COMMISSIONER: Mr. Sigler,
29 I think we'll adjourn for coffee because Dr. Dixon's
30 had to talk now for about an hour. But just a couple of

Dr. M. Dixon
Cross-Exam by Sigler

1 questions before we adjourn. What about the V.D. rates?
2 Is there any correlation between those and the expansion
3 of prostitution or any correlation between those rates
4 if they have gone up and any other activity that you
5 want to mention?

6 A Yes, the main -- let me
7 just take a moment to be able to cite some figures in
8 conjunction with my answer. I'd like to say the figures
9 I am using are from Impact Information Center report
10 number ten so that you will be able to go back and
11 review these if you'd like to.

12 I want to approach that from
13 a different perspective before I answer your question
14 directly. There has been a very definite impact on
15 the State Health Lab which provides the laboratory tests
16 for venereal disease. That impact is due to a couple
17 of things. One is every pipeline worker that gets hired
18 has a physical exam which includes an RPR which is a
19 test for syphilis which is then sent to the State Lab.
20 So the number of syphilis tests that the State Lab has
21 been conducting has escalated in direct proportion to
22 the pipeline hiring situation.

23 For example in 1973, the
24 State Lab processed 4,745 RPRs and in 1974, after the
25 pipeline had started, that was for a period of from
26 April to September. In that same period in 1974 after
27 the pipeline had started, the State Lab processed 12,892
28 RPRs. That was an increase of 171.7%

29 Q Those were just tests for
30 syphilis. It doesn't mean they are positive.

Dr. M. Dixon
Cross-Exam by Sigler

1 A That's just tests.

2 Exactly. O.K. But the point is when you are going
3 to do more tests, you are going to pick up more positive
4 reports too.

5 Q Yes.

6 A In fact the number of
7 positive RPRs -- now this does not mean the number of
8 cases because some people might have been tested more
9 than once, you know, to validate their tests -- went
10 from 36 in 1973 for that same period to 71 in 1974 which
11 was an increase of 97%. So essentially what you are
12 doing is you are screening more people. You are picking
13 up more cases. That, you know, when you have -- you
14 know those / ^{cases} could have been present in the population
15 before. They could have been present in the populations
16 outside. But we are seeing more positive tests but then
17 we are seeing a whole lot more tests.

18 Similarly for gonorrhea tests,
19 the number of tests increased. Now this doesn't have
20 anything to do with pipeline physicals because that
21 isn't a part of the pipeline physicals. The number of
22 tests themselves went from 1541 in 1973 for that same
23 period to 1710 which was an increase of 11% but the
24 number of positive tests in spite of that increase in the
25 total number of tests went from 181 to 143 which is a
26 decline of 21%.

27 Q Yes.

28 A Essentially I think what's
29 happened in Fairbanks and maybe in Alaska in general is
30 that people are becoming a lot more sophisticated about

Dr. M. Dixon
Cross-Exam by Sigler

1 V.D. and about getting treatment and that it's not the
2 kind of disease maybe that it used to be that it went
3 undetected for long periods. So I think people are
4 reporting or coming in for tests -- you know, reporting
5 themselves essentially and there's a lot more people
6 are seeking tests and a lot fewer cases are determining
7 so I think essentially that there is a pretty -- that
8 even though there is a much higher rate of V.D. in
9 Fairbanks than most U.S. cities because there is a very,
10 very young population that is presumably very sexually
11 active that the health care delivery system is set up
12 in such a way that this is not -- you know -- that
13 people are getting treatment.

14 I would say that most of the
15 people for example who engage in prostitution are very
16 aware of that potential danger in their profession and
17 seek treatment and tests you know, fairly regularly.
18 I don't think that prostitution has been a major cause
19 for an increase in V.D.

20 Q Well, that brings me to
21 my second question. I said that prostitution is a
22 source of concern among other things because it may be
23 an indication of the presence of organized crime. But
24 there is another aspect to it that may be related to the
25 first. Are the -- there appears to have been an increase
26 in the incidence of prostitution and the number of people
27 plying that trade appears to have increased significantly
28 in Fairbanks. Are the people from the lower 48 or has
29 there been recruitment -- we are all starting to use
30 this jargon you know -- but has there been recruitment

Dr. M. Dixon
Cross-Exam by Sigler

1 from essentially the young native girls in the
2 Fairbanks vicinity? Is it possible to make any comment
3 on that or is it --
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler

1
2 A I'll try and avoid your
3 question by answering it this way. Essentially I think
4 everybody has their own definitions of prostitution
5 and my definition involved an economic system that's
6 pretty specific and basically pretty culturally determined
7 and I think that there's lots of different types of
8 sexual behaviour in Fairbanks and I'm sure that some
9 people can look at some types of behaviour and call
10 it prostitution and other people would say, it's not
11 that at all.

12 Q It's just what, debauchery
13 or what, just so that we can pin this down a
14 little bit.

15 A Yes. I think that there's
16 very different mores and different attitudes towards
17 sex and sexual activities and sexual partners among
18 different groups in the population, both different
19 ethnic groups, different age groups, different peer
20 groups of different types and in some ways, sex can
21 be an entre into certain groups and I think we've seen
22 that in terms of a lot of the teenage runaways that
23 we've seen, that that's a part of that whole system,
24 but I wouldn't call that prostitution in any formal
25 sense. I think one of the better studies that I've
26 seen on this subject was one done by Hugh Brody in
27 Canada, which --

28 Q He was here and testified
29 about it.

30 A Did he testify to that?

1 Well, I think that he took a very -- tried to do away
2 with some of the cultural biases in terms of using
3 the terms.

4 Q The study of "Skid Row"
5 in Edmonton.

6 A Right.

7 Q Yes.

8 A And I think he kind of
9 explains the role that sex has in terms of the life-
10 style of "Skid Row" and I think in Fairbanks we have a
11 certain number of bars and people who frequent bars
12 regularly and certainly sexual activity plays a part
13 in that whole lifestyle, but I for one, would not call
14 it prostitution. Most people don't sell their services
15 although they might gain something material from it,
16 in terms of food or clothing or housing or something
17 else but it's not the same kind of economic arrangement
18 that our culture has traditionally defined as prostitution
19 and I think that it's oversimplifying a situation to
20 view it in that same context and in fact, I think
21 part of what some of the problems that we've had in
22 terms of street problems have been partially racial
23 problems but partially problems in terms of differences
24 in terms of approaches to sexual behaviour. For example
25 I think that among young people today, there's much
26 less formality, you know, and much -- and sex is not
27 a difficult thing to come by, well, that takes a certain
28 group of people out of looking to buy
29 sex essentially, they aren't customers anymore, where they
30

So then, this makes it

Again, I really caution

Does that answer your question?

at all?

1 Q Yes. What about the
2 first part of the question, are the people engaged in
3 prostitution from the lower 48?

4 A Yes. A whole lot -- most
5 of the people, you know, the professionals. A whole
6 lot of them. We've had local prostitutes that have been
7 with us a long time, the police know who they are and
8 most of the people that have been coming in have been
9 coming in from outside, California, Nevada, Seattle, so
10 forth.

11 Q Yes. Just let me ask
12 you to consider this again, putting the word prostitution
13 to one side, has there been a tendency, now this all
14 depends on the extent to which there are native villages
15 within the vicinity of Fairbanks, I suppose, and I
16 don't think there are many, but has there been a
17 tendency for young native women to be drawn into the
18 "Skid Row" of Fairbanks? Putting it that generally, has
19 that occurred? Could you comment on that?

20 A Yes. I don't have any
21 kind of hard data to support anything that I could say
22 on that, and it's not been a subject that I've
23 studied, you know, specifically, but, young people in
24 general, I'll start out with that and then address
25 young native women, but in Fairbanks in general, there's
26 been less supervision of young people and young people
27 have been more likely to be in the bars and in the areas
28 that you might call Skid Row. My own experience as
29 a counsellor in a family planning clinic for five years
30 now, has been that this is a trend that has been developing

1 regardless of a pipeline being there. That teenagers
2 in a small town tend to seek out experiences of that
3 nature for a variety of reasons, but
4 I think that a lot more native people are coming into
5 town seeking pipeline jobs and that there is a large
6 motivation for people from the villages -- you know,
7 part of the whole urban system among native people in
8 Fairbanks is that if you want to find friends from the
9 villages, one place that you know that you can find them
10 is on 2nd Avenue and that there's a very -- you know,
11 that it's not unacceptable to move in and out of bars
12 on the street and so forth, in terms of looking for
13 your friends and visiting with them and so forth and
14 that often times that this makes liquor and drugs
15 and other activities much more accessible to young
16 people in an urban area than maybe what it would be
17 in other places.

18 Q Right, well --

19 A Does that answer your
20 question at all?

21 Q Yes, it does, thank you
22 Dr. Dixon. Well, we'll stop for coffee.

23 (PROCEEDINGS ADJOURNED FOR A FEW MINUTES)
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

THE COMMISSIONER: Well, those are all the questions I have for the time being, Dr. Dixon, so I think we're still with you, Mr. Sigler.

MR. SIGLER: Right. There's just a couple of questions I wanted to ask you just to finish off with what I was getting at earlier.

Q You commented, in answering my earlier question, about the Council of Fairbanks not spending public funds for physical services during the construction period; then in answering the judge's questions you commented on -- in commenting on the increased crime rate -- about young people involved in liquor and drugs. Is there any correlation between the two? For example, I think it's specifically the answer you gave me about recreation facilities and no money having been spent. Can you relate the one to the other? Would more funding or more spending on recreation facilities by the Community of Fairbanks have alleviated the crime problem for young people?

A I'm sure that there are those people what would agree with you about that. I certainly don't have any evidence that would either support or refute that. One bit of information that I would like to suggest to you is that the combination of the double-shifting in schools and the increased employment opportunities has made it possible for young people, teenagers in particular, to obtain jobs where they might not have been able to before, and we did a survey which was done in

Dr. M. Dixon
Cross-Exam by Sigler

1 January of 1975 that indicated that approximately 50%
2 of the High School students were working, and I
3 think in a sense this is something that many High
4 School students see as being a positive experience
5 although it created certain kinds of conflicts between
6 school and work. But it's not a case of High
7 School students sitting around with nothing to do
8 because there are a lot of jobs, and I think typically
9 in small towns, even if they create recreational
10 facilities for young people this doesn't mean that
11 young people, that that's what they want or that
12 that's what they're going to use, that they won't
13 find other activities to get in trouble or whatever.
14 So I think in some ways the creation of new jobs
15 has provided certain kinds of activities for young
16 people that they didn't have before which might have
17 made for a better environment for teenagers from their
18 own perspective, and at the same time had that
19 lack of supervision and perhaps the lack of recreational
20 facilities that might have given the kids more time
21 to get in trouble too. I'm not sure that recreational
22 facilities is the answer. I don't -- I certainly don't
23 have any data which suggests that it is, although I
24 realize that that argument is often made. I just feel
25 ill-equipped to comment on it, you know on a direct
26 relationship between the two.

27 Q M-hm, and the other
28 thing, in your evidence you mention about the what
29 you call non-conventional housing. What about from a
30 safety factor as far as questions I was asking about

1 fireproof protection services? Have these types of
2 non-conventional housing raised any problems from that
3 point of view?

4 A There are many people who
5 feel that that is the potential problem, particularly
6 using structures in the wintertime that aren't properly
7 insulated and then turning up oil furnaces to the
8 point where they become fire hazards and so forth.
9 Many of the kinds of unconventional housing use wood
10 as a source of heat, which creates more chimney fires
11 and that kind of thing. So that hypothesis has been
12 put forth and again I don't really have any data on
13 incidence of fires and what kinds of structures, but
14 I believe that data will be available from the study
15 that I mentioned the borough is conducting, so we
16 will have access to try and test that hypothesis. All
17 I can say is it's not an illogical hypothesis, and
18 other people have put it forward, but I can't really
19 contribute anything towards saying whether that was
20 true or not.

21 Q How is it that these
22 non-conventional type housing come to be used? Does
23 the borough or the city or state or some agency not
24 have the power to inspect, or aren't permissions
25 required or inspections required before people can
26 start using sub-standard structures for housing?

27 A Let me answer that from
28 a couple of perspectives. One is there is a building
29 code inside the city, but there isn't outside the
30 city in the borough. So no, there are no inspections

Dr. M. Dixon
Cross-Exam by Sigler

1 outside the city. That doesn't mean all the unconven-
2 tional housing is outside the city. There is some
3 inside the city, but the building codes are not rigor-
4 ously enforced, and particularly during the period
5 where there is a housing shortage, I think there's been
6 a real and where rapid construction activities which have
7 made a lot of demands on the building department of
8 the City of Fairbanks, and there's not been a high
9 priority on either inspecting or condemning sub-standard
10 units. Also Fairbanks has traditionally tolerated
11 a variety of housing types and styles and unconventional
12 housing. This has been part of the whole frontier
13 lifestyle, so to speak, is having people living in
14 places like cabins that don't have plumbing or electricity
15 or so forth, and there's a lot of tolerance for indi-
16 vidual variations that way.

17 So I think that there hasn't
18 been in terms of community values, a high priority on
19 eliminating that housing, and to the contrary, during
20 a housing shortage there's probably been more concern
21 about people finding places to stay than there is
22 eliminating unconventional housing. So we're seeing
23 a proliferation of people living in trailers that weren't
24 meant to be lived in in the winter, or living in
25 saunas or tents or, you know, whatever they can find
26 to live in. In addition, there's been a real prolifer-
27 ation of rooming houses where there aren't any codes
28 about that type of housing, and the codes that there
29 are, that might apply aren't being enforced very much.

30 Q But there are standards,

Dr. M. Dixon
Cross-Exam by Sigler

1 at least for some of them, but the city has been
2 unable or unwilling to -- or has chosen not to enforce
3 those codes.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Sigler
Cross-Exam by Bayly

1 A Yes. There are certain
2 standards in the city but not in the borough and the
3 city both, I think, has chosen not to enforce and
4 also has been preoccupied or over-worked with new building
5 inspections and that just has been a lower priority in
6 enforcing existing building.

7 MR. SIGLER: Thank you for
8 answering my questions. That's all I have on that.

9 MR. ROLAND: Mr. Bayly?

10 CROSS-EXAMINATION BY MR. BAYLY:

11 Q Dr. Dixon, I realize that
12 what you do is you collect information and make it
13 available to whoever wants it and that what you try and
14 avoid doing is assigning values to it which are your
15 own or those of the group that you work with and be the value
16 judgment to those who will take your information for
17 whatever purposes they want it.

18 But I take it you are also in
19 the Impact office looking at possible impacts of the
20 pipeline and assessing them even though you may not go
21 as far as to draw value conclusions. Is that correct?

22 A Well, currently I am
23 not working for the Impact Information Center and so
24 I probably have felt a little more liberal to speak about
25 my own interpretations than I was when I was working at
26 the Impact Center but I think that it is important that
27 a community function such as the Impact Center tries to --
28 and I think that there is certain safeguards built in that
29 enable such a center to try not to reflect the values of
30 any particular individual or group.

Dr. M.Dixon
Cross-Exam by Bayly

1 Q All right but you do look
2 at certain things that are traditionally thought of as
3 indicators of social impact in an area as opposed to
4 other things. Some of these that I could suggest to you
5 and you can tell me whether they were included would
6 be increase in the number of jobs, increase in the amount
7 of money, stresses on physical facilities in schools and
8 hospitals?

9 A That's correct. Let me
10 just clarify one thing. I don't know where you are
11 leading with this but I just thought I would mention this.
12 Our advisory committee, which is pretty broadly based
13 essentially tells us what areas they want us to research.
14 So essentially the decision isn't coming from within the
15 office so much as from an advisory committee composed of
16 different groups within the community.

17 Q Right so you react to them
18 and yet you wouldn't want to study things that perhaps
19 are too far off base to be an indicator of anything.
20 The increase in bubble gum sales is unlikely to tell you
21 anything about the impact of the pipeline for example.

22 A Yes, I think that's a
23 logical --

24 Q Yes. They stick to
25 traditional things that they think of as being areas
26 where the stress will show or where the benefits will
27 show. Included in those I would suggest to you are the
28 structure of existing services and you looked at those
29 when you were at the Impact Center. Is that correct?

30 A Yes.

Q And/patterns of the use

Q And/patterns of the use

A To some extent. I wish
There is a lot of areas that
scientist and also as a member
we could have looked at more
certainly would have been one.
much of an emphasis from our
that.

Q So in that sense, the
littee had its disadvantages in
more than went off in your own

A Well, I think you get a
om being a community directed
uld call ours versus being a
ves out of some academic focus
Certainly if I had the leeway
udied very different -- some
an what we studied through the

Q So where a community based
is a useful tool, it should not
missing the indicators of impact
ect like the Mackenzie Valley

A I would definitely agree

Q You borrowed studies that

A fact. You referred to Dr. Kruse's

Dr. M. Dixon
Cross-Exam by Bayly

1 study and Dr. Baring-Gould's study from other areas to
2 give you at least a library of the information that you
3 didn't collect yourself?

4 A Definitely and I think also
5 that kind of helps you have some comparative information
6 too. It kind of points out areas that maybe we ought
7 to be looking at that we haven't.

8 Q Your concern was that when
9 you started collecting -- one of your concerns was that
10 insufficient collecting of base line data had occurred
11 prior to your office coming into existence.

12 A That's right.

13 Q So that made the comparison
14 with what had gone on before far more difficult.

15 A Yes.

16 Q Now, can you outline for
17 us in the Alyeska situation what areas pre-pipeline data
18 gathering was conducted in the Fairbanks area, if any?

19 A Well there was no formal
20 information gathering program prior to the Impact
21 Information Center. At least not that I am aware of.
22 So there wasn't anything that was done formally. So
23 what we have done is try to look at sources of data
24 that we would be using anyway and just try to take that
25 data back in time. Or if there are reports that have
26 been done -- I can give you an example of a report that
27 was done that can maybe suggest what you are talking
28 about but it's so rare that it is the exception.

29 When I was in Juneau recently
30 I came across a study that had been conducted by the

Dr. M. Dixon
Cross-Exam by Bayly

1 Department of Health and Social Services on the
2 characteristics of food stamp recipients in 1973 a
3 perfect base ^{line} study. Nobody had even told us that it
4 was around. I came across it and brought it back and
5 talked to Sue Fison who is the director of the Impact
6 Center now who is duplicating that study for Fairbanks
7 to see what changes there have been in the characteristics
8 of food stamp recipients. Ideally, many studies like
9 this could have been done in '73 or '72, '71 or 1970
10 that could be duplicated at this point to look at
11 changes in the structure of the community.

12 Unfortunately, I know of
13 very few.

14 Q Would it be fair to say
15 that you would recommend that anybody who is thinking
16 of setting up a community based impact center try and
17 get that going as soon as possible in the Mackenzie
18 Valley communities so that that information on what
19 it's like now anyway could be gathered?

20 A Yes, for sure. And in
21 just going back to your comment you made before about
22 a variety of different kinds of studies. I think that
23 in one of my comments about what I felt that the
24 Federal Government could do in terms of encouraging
25 social scientists to do studies and developing programs is
26 that this can serve as a base line just be getting
27 studies going in these kinds of areas that are not
28 necessarily directly impact related.

29 Q You were uneasy about
30 information that had been collected even the year before

Dr. M. Dixon
Cross-Exam by Bayly

1 the actual start up of construction and I assume that
2 was because that was a period that involved people
3 coming in on speculation and the build up of the equip-
4 ment and supplies.

5 A That's correct. Yes.

6 Q You would have to go back
7 before that period to start gathering your base line
8 data.

9 A Yes, I think time depth
10 is something that we need to kind of deal with as a
11 methological problem. I don't know of anybody that is
12 really done too much work in that area to find out how
13 long of a time depth you need to be able to identify
14 trends. But certainly five years is better than two and
15 ten years is better than five and twenty years is better
16 than ten. So, you know, my feeling is the more time
17 depth you have to look at trends, the better you are
18 going to be able to do an assessing, the meaning of
19 the information that you have now.

20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Bayly

1 Q Now, I gather one of the
2 difficulties -- and you've alluded to it in the answer
3 to the last question -- is that there isn't a very
4 good indexing system, even for what was available in
5 Alaska. You came across a study that you knew nothing
6 about, after you needed it.

7 A That's true.

8 Q And does that mean that
9 there may be information which is not in the public
10 domain that contains this kind of baseline data or
11 some of it in Alaska today?

12 A Yes, and let me just
13 qualify my comments too by saying that when I started
14 with the Impact Information Centre I was not -- in
15 some ways not equipped for the job in that my own
16 training did not include a review of the literature
17 specific to this particular subject, and once I was
18 employed in that job, this was not the kind of
19 activity that the local community wanted me to be
20 performing. In other words, they didn't want me to
21 be sitting in the library at the university doing
22 a bibliography; they wanted me to be out collecting
23 data. So while I think doing bibliographic work in a
24 literature search would be a very valuable component
25 to what we were doing, aside from the kinds of
26 piecemeal things that we did do, there was never a con-
27 certed effort to do that and I think there should have
28 been. It's something I've been working on in conjunction
29 with my book but was unable to do at the Impact Centre.

30 Q And provided the information

Dr. M. Dixon
Cross-Exam by Bayly

1 was in the public domain, it wouldn't be necessary
2 for the community-based Impact Centre to collect it
3 as long as somebody did and made it available.

4 A I'm not sure about
5 that, though. You know, a library is something that
6 not everybody either knows how to use or is familiar
7 with using, or comfortable with using, and sometimes
8 the way that libraries are set up, the information is
9 not -- it's so time-consuming to acquire, that for
10 example, if a local business person wanted an answer
11 to a question, it's possible they could go to a public
12 library and have access to the same data that we had
13 at the Impact Centre; but No. 1, nobody in the library
14 would know where it was or what it was, or be able to
15 guide them with that; and No. 2, that that person
16 wouldn't know how to find that information; and No. 3,
17 finding that information would be so time-consuming
18 that a person wouldn't bother going to the Public
19 Library; but if they knew that there was a central
20 source for this type of information, where they could
21 get some kind of assistance in finding the information
22 they were looking for, or referral -- a lot of what
23 we did was referral work -- then they would be much
24 more likely to avail themselves of the information
25 in spite of the fact that it might have been available
26 from another source.

27 Q And you feel that perhaps
28 a community-based organization where people are
29 at ease coming in and using your facilities might be
30 one that would get more use because people were more

Dr. M. Dixon
Cross-Exam by Bayly

1 comfortable with it.

2 A Although again the same
3 function could have been performed as a part of
4 the library that had set up a special room or a special
5 program physically for this purpose. I'm not saying
6 that it has to be done through this particular type
7 of local government structure. I think that there
8 could be a lot of flexibility in how it's done, but
9 I think it's important to say that there is a source
10 -- a place that is specifically designated to assemble
11 this information and to distribute it; and again a
12 lot of what we did was not just collecting reports,
13 it was, you know, processing our own information and
14 putting out reports and doing that kind of thing.

15 Q Now, one of your concerns
16 that you have on page 15 under the heading:

17 "Vocabulary is exceedingly important,"

18 is that in your situation you
19 said that the business economic interests dominate
20 politically, and I gather that refers to the Fairbanks
21 area.

22 A M-hm.

23 Q Now, was that through
24 the form of organizations like Chambers of Commerce, or
25 was that individual companies or businessmen or how
26 was that political force organized?

27 A Well, I think that there
28 are certain formal institutions that provide political
29 leadership such as the Chamber of Commerce, they're
30 very strong in Fairbanks, and then there is a variety

Dr. M. Dixon
Cross-Exam by Bayly

1 of other ways that those values are implied and affect
2 the political structure of the local community in terms
3 of leadership, in terms of decision-making, and so
4 forth, that in terms of a general conservative
5 approach to the decision-making processes in the
6 local government that reflect a lot of the values of
7 business industry.

8 Q And are you telling us
9 that in a town like Fairbanks that a member of the
10 Chamber of Commerce might be on the City Council,
11 might be a supplier to the pipeline company, etc.

12 A M-hm.

13 Q And it's for that reason
14 that I gather you have to be very careful to make sure
15 that you weren't aligned ^{either} with that group or with a
16 native organization or a consumer protection organiza-
17 tion, or with an oil company.

18 A M-hm.

19 Q And you've interestingly
20 included in special interest groups that you had to
21 be concerned about, the government itself.

22 A Did I?

23 Q On page 14.

24 A Because I would call them
25 a special interest group in that context, yes.

26 Q Would you consider it to
27 be a special interest group in the Alaskan situation?
28 Let's refer to the municipal level of government to
29 begin with.

30 A Well, it was very important

Dr. M. Dixon
Cross-Exam by Bayly

1 for us, you see, we were under a ^{borough} administration
2 and one of the things that was very important for
3 us in terms of local politics was to be autonomous
4 from the mayor, and the local government situation,
5 and it ^{was} very important that we weren't a part of the
6 mayor's office and we were not a P.R. person for the
7 mayor, and yes, that was true.

8 Q All right, and did you
9 run into situations where you felt that the state
10 government was a party with a special interest?

11 A Yea, I think so. We
12 certainly found situations where again instead of
13 state government I kind of refer to agencies more
14 because state government is not so homogeneous that
15 the level that we dealt with them ^{were} for different
16 agencies, and certainly these agencies have an
17 interest in perpetuating their own bureaucracies,
18 protecting their budget and so forth --
19 THE COMMISSIONER: It's hard
20 to believe.

21 A Excuse me.
22 THE COMMISSIONER: Nothing.
23 I was just passing a comment. It doesn't matter.

24 A And I think it's very
25 important for -- not to become a spokes person for
26 any of those agencies or essentially to buy into
27 their goals any more than any other group. Of course,
28 there's a certain amount of pressure to do that.
29
30

1 MR. BAYLY: Then in following
2 up a question of Mr. Sigler's as to whether you would
3 have been more effective, had you been a state-wide
4 series of offices, would you feel that you are better
5 off being an office with no ties to any government or
6 government agency? In a state sense.

7 A Well, you'd like -- ideally
8 you'd like to have ties in terms of co-operative working
9 arrangements in terms of sharing data and having access
10 to data and so forth, and you need other people, it's
11 not like you're keeping yourself ^{apart} that way, but ideally
12 you would like to have the autonomy or -- you know,
13 to be able to feel as though you can be honest and not
14 subjected to pressures of either interpreting the data
15 or avoiding printing certain kinds of data or keeping
16 certain things secret or functioning as a mouthpiece
17 for any group without looking at all the sides of the
18 issue and so forth. So, the ideal is not that you remain
19 totally separate, but that you establish working
20 relationships, but that nobody has the power to control
21 the information, because information essentially is
22 power and you don't want to be in a position of letting
23 the center be used by any particular group. You want to
24 make sure it can be used by everybody so that there's
25 checks on that kind of power.

26 Q One of the concerns that
27 has been expressed in evidence before this Inquiry
28 is that not only industry, but certain agencies of
29 government are proponents of development and is that
30 a concern that people expressed in the Fairbanks area

1
2 with regard to government and the Alyeska project?

3 A That they are proponents
4 of --

5 Q That they were proponents
6 of development.

7 A Of development. Well,
8 I think --

9 Q That was of the pipeline
10 development.

11 A Yes. I think that was
12 kind of a -- that's kind of an understatement. That
13 was an accepted assumption or fact that it wasn't that
14 it -- I guess it raised concern in that, for example,
15 with an advisory group, they tried to balance those
16 interests with other interests. Let me just give you a
17 little bit of history on this.

18 When the idea of an Impact
19 Information Center came up in the community, the Chamber
20 of Commerce wanted very much to have that be a part of
21 their function and one of the arguments in terms of the
22 -- before the Borough Assembly, it said if the borough
23 was going to appropriate this money that they should
24 appropriate it to the Chamber of Commerce to carry out
25 this function and there were a lot of people in the
26 community who said, no, the Chamber of Commerce is a
27 special interest group, we need to make this autonomous
28 from the Chamber of Commerce and in fact when they
29 appointed the Advisory Board, the first thing they did,
30 the first two members they appointed, one was the

Dr. M. Dixon
Cross-Exam by Bayly

1 President of the Chamber of Commerce, the other was
2 the Chairman of the Social Concerns Committee of the
3 Fairbanks Council of Churches, who, presumably, represented
4 different kinds of values than the President of the
5 Chamber of Commerce.

6 So, all along there has been
7 an attempt to balance the interests in relation to the
8 center.

9 Q Do you feel that the
10 fact that governments took a proponent stance with regard
11 to the Alyeska project that you had any difficulty in
12 obtaining information you would have liked to have
13 had?

14 A From whom?

15 Q From the various govern-
16 ment agencies.

17 A Actually, the Alaska --
18 the government went through a change -- the state govern-
19 ment went through a change, pre-pipeline to shortly
20 after the pipeline was started. There was an election
21 and a new Governor was put into office and he's been
22 publicly much more reserved or less enthusiastic or
23 more cautious, however you want to put it about approaches
24 to development and many people in the business community
25 would say that the state government right now is anti-
26 development and that many of the state agencies are
27 anti-development.

28 So, perhaps that might have
29 been true prior to the time the pipeline was started,
30

Dr. M. Dixon
Cross-Exam by Bayly

1 but in the span of time for the impact information
2 center, I would say that that state government -- most
3 of the agencies of state government do not necessarily
4 represent industry and that this would not be a factor
5 in terms of getting information from them.

6 Q Right.

7 A I think the other
8 factors that I outlined are probably much more significant
9 than that would be.

10 Q Do you feel then that the
11 government not only went -- government agencies not only
12 went through a change in political leaders but that
13 they went through an evolution within themselves with
14 regard to their perspectives on the pipeline development?

15 A Yes. I think it's really
16 hard to talk about -- different agencies are very different,
17 you know, and in some cases the administration of those
18 agencies really didn't change. I'm not saying that
19 every agency's top administrator -- every commissioner
20 changed because that didn't happen every time, but I
21 think -- maybe this is a cop-out, but everything is
22 always evolving and you're not dealing with a static
23 set of circumstances. You're dealing with a set of
24 circumstances that is changing continually and that
25 you're adjusting to somewhat. I'm not sure if that's
26 answering your question or not. You want to try me again?

27 A No, I'm -- I understand
28 that there are different agencies that have taken
29 different positions and that they've changed, I gather
30 in your assessment you watch the agencies as well as

1 the pipeline company as well as the people coming in,
2 the crime statistics. Is there a general trend or
3 does it depend on the agency to such an extent that you
4 can't draw any conclusions?

5 A Well, this particular --
6 is there a general trend in what? Would you be more
7 specific in your question?

8 Q Has there been a general
9 trend in the government agencies to move from a stage
10 where they were pro-development to a stage where they
11 are now anti-development or much less pro-development?

12 A Yes. I would say that
13 there has been a general trend in that direction.

14 Q And would you --

15 A I think that's under
16 the leadership of the new governor.

17 Q Yes, and would you
18 attribute that to impacts of the Alyeska project?

19 A No, because one of the
20 things we found is that the people in Juneau really don't
21 know what's going on in Fairbanks.

22 Q Isn't this where we
23 came in?

24 A I don't think. No, you
25 know, it's funny because a state that size, many of the
26 commissioners have never been to Fairbanks and we hear
27 pipeline all the time in Fairbanks, pipeline, pipeline
28 every day and it seems like the most overriding factor
29 in the whole community, you know, and you go to Juneau
30 and you never even hear that word, I mean it's just

Dr. M. Dixon
Cross-Exam by Bayly

1 not a big factor in their lives and in their decision
2 making and in their awareness of what's going on in
3 the states and I would say that perhaps that might
4 be a small part of it. The state government is much
5 more concerned right now, about outer Continental
6 Shelf oil development than they are about pipelines
7 and in a sense, I think part of their decision not
8 to place a greater emphasis on monitoring this pipeline
9 had to do with their priority that they're giving to
10 outer Continental Shelf development problems and that
11 they kind of wrote this one off that it's too late to
12 do anything about it now, you know, already, so let's
13 focus on the next thing that's coming up, and are
14 really giving a lot of attention to outer Continental
15 Shelf oil development right now.
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

Dr. M. Dixon
Cross-Exam by Bayly

1 Q So your local concerns
2 are not state-wide and they certainly aren't even top
3 priority in your opinion of the State Government?

4 A Right. I would say at
5 this point the State Government has kind of taken the
6 attitude -- well in fact, this Governor when he came in
7 in his state address ^{or} inauguration address said that he
8 felt that we should be at the point that the benefits of
9 the pipeline should be outweighing the costs and therefore
10 he was discontinuing impact funds and the community
11 should find a way to reap the benefits at this point.

12 You know, basically there was
13 an attitude that this one is behind us now and let's
14 move on to the next problem and essentially that this
15 problem was created by the last Governor too. So the
16 current Governor doesn't really have to accept too many
17 of the responsibilities for this one. So he just doesn't
18 want to botch the next one.

19 Q So this again would be
20 another reason why a local impact information center
21 might have a greater chance of survival through the
22 length of the project than one which was funded from
23 a farther distance away from the impact?

24 A I think that's true. Of
25 course, one of the values I think of this center is
26 to bring problems of the local community to the attention
27 of the State agencies and the governor and so forth in
28 Juneau and maybe they wouldn't want all these problems
29 brought to their attention considering that they have
30 a lot of other problems to deal with. So I think that in

Dr. M. Dixon
Cross-Exam by Bayly

1 a sense that this gives a greater reason for the
2 information being generated at the local level.

3 Q Now on pages 17 and 18
4 of your evidence, you talk about the carrying capacities
5 of the various community resources and you state that
6 some of them appear to have been taxed beyond their
7 capacity. Now I take it that if in the Mackenzie Valley
8 we are to learn from this, it would be sensible if we
9 are going to be able to predict any of the impacts to
10 assess the resources we have and their carrying capacities
11 prior to approval of any project.

12 A That's the point exactly.

13 Q Was that done in Alaska
14 at all?

15 A Well, you know, impact
16 statements were written for the TransAlaska pipeline but
17 giving it a little bit of a historic context, at that
18 point, in our nation's history there was an environ-
19 mental movement under foot and the National Environmental
20 Policy Act of 1969 came out of that environmental
21 conservation movement. That was of course the directive
22 that led to the dividing of environmental impact statements.
23 The real political forces at that time indicated that
24 it was necessary to address the impact from a natural
25 environment. But people had given very little consideration
26 to the social environment or the socio-economic environ-
27 ment, however you want to call it.

28 The major consideration in terms
29 of the social environment was as it related to the
30 natural environment and more specifically how changes in

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0

Q Now I gather that local community resources can be assessed in different ways by people with different interests. Would you recommend that that assessment be carried out at least in part by a community based organization or a series of them so that those things that have to do with attitudes towards those services can be expressed in the need as well as the agencies that are responsible for them in their assessment of the facilities?

A I think it's very important to work with the local communities at every level in terms of doing research in the local community. But I think sometimes local communities don't always have the experience or the knowledge or the tools to be able to do an adequate kind of assessment by themselves. So I would say that, yes, it is important to work with the local communities and to take into consideration

Dr. M. Dixon
Cross-Exam by Bayly

1 their own concerns. But it is also important to get
2 some kinds of trained personnel who can do an effective
3 and reliable job. Let me give you just kind of an
4 example of where I think you can get a problem. This
5 was even -- not at the local community level but even
6 at the State level.

7 I was trying to do some research
8 on community mental health indicators. I found that
9 there had been an assessment of community mental
10 health problems and facilities for Fairbanks. It was
11 a state-wide kind of plan but Fairbanks was included in it,
12 based on -- I believe '72 data. I thought "great". I
13 started going through it and the person who did this
14 had had some training but not very much. One of the
15 things that she did and I discussed it with her later --
16 Fairbanks came out looking like it -- of all places in
17 the States -- you know -- it had by far the best indica-
18 tors in terms of a positive community mental health
19 picture and more facilities than what they could use and
20 so forth.

21 The reason was because she made
22 a distinction between military facilities and non-
23 military facilities and did not include in her report
24 the military facilities. There are two large military
25 bases in the borough -- in the Fairbanks North Star
26 Borough. So she only included local facilities. In
27 other words, community facilities and State funded
28 facilities and so forth. But she did that in comparison
29 to population size. When she used her population
30 figures, she used the population figures and included

Dr. M. Dixon
Cross-Exam by Bayly

1 the figures from the military bases. So what she
2 really did was her use of those figures -- and it was
3 not by consciously trying to manipulate the data -- she
4 was just naive enough not to know she was making a
5 mistake and those figures essentially minimized the
6 problem. In other words, it looked like there were
7 much fewer problems per population size than what there
8 would have been if she would have been consistent in
9 using the right population figures with the right
10 facilities.

11 So I think what you can get
12 is a very ^{well} meaning people trying to assess the carrying
13 capacity or the magnitude of existing problems and so
14 forth who can make errors in methodology which can really
15 make their efforts futile in providing the kind of
16 accurate information that ^{we} need. So I think we need both
17 the expertise and the local input.

Dr. M. Dixon
Cross-Exam by Bayly

1 Q All right, realizing that
2 the community may not have the expertise, would you feel
3 that an organization like the one that you're associated
4 with would be an appropriate vehicle to gather some
5 of the more subjective community attitudes which might
6 be essential in looking at the whole picture of the
7 capacity of the local community-based resources.

8 A You've used that word
9 "attitude" a couple of times so I want to pick up on
10 that, and refer again to Dr. Kruse's study because
11 it's the first attitudinal study that I think I've
12 seen that's really outstanding, and I think attitudes
13 is one area that you have to be especially especially
14 careful in terms of the methodology of sampling, in
15 terms of your construction of your questionnaire that
16 you use, or your research tool because this is an
17 area where the researcher can really affect the results
18 of the research significantly and/^{you}really need to place
19 a lot of control on that kind of a study, and I think
20 this is perhaps even more so. attitudes, even more
21 so than other kinds of indicators which are may be a
22 little bit less suggestive. For example, the way you
23 ask a question is going to really determine a lot
24 of times what kind of an answer you get, and again
25 a group that maybe very well-meaning may spend a lot
26 of time and energy going throughout the community asking
27 a question and yet when you get ^{done} the answers that
28 you get might be relatively meaningless because that
29 question could have been interpreted in several ways
30 or because of the way the question was phrased. So I

Dr. M. Dixon
Cross-Exam by Bayly

1 would say that particularly with regard to attitudes
2 there needs to be some kind of expertise employed in
3 order to get the kind of data that's going to be
4 useful. I don't know if that's --

5 Q That's fine. Let me
6 approach the question from the other end of the --

7 A O.K.

8 THE COMMISSIONER: Before you
9 do that --

10 MR. BAYLY: I may forget it.

11 THE COMMISSIONER: I think
12 certain members of your family feel this has gone on
13 long enough and --

14 MR. BAYLY: I didn't know we
15 were related, sir.

16 THE COMMISSIONER: I must say
17 I share their point of view, but obviously we won't
18 finish the evidence of Dr. Dixon this afternoon, and
19 Mr. Goudge advises me that we can safely adjourn
20 until tomorrow without having a night sitting tonight.
21 So -- but he does say that if a night sitting is
22 necessary, it might be tomorrow night. But he said
23 there's no need to have one tonight because it might
24 turn out to be unnecessary -- if you follow me.

25 So if you don't mind, Dr.
26 Dixon, we'll ask you to remain until tomorrow and
27 suppose we start at 10 A.M. and we'll finish with your
28 evidence, I'm sure, sometime tomorrow morning and then
29 you can get back to Alaska. O.K., so we'll adjourn then.

347

M835

Vol. 171

AUTHOR

Mackenzie Valley pipeline inquiry:

TITLE

August 17, 1976 Yellowknife

DATE Due

BORROWER'S NAME

347

M835

Vol 171



3 1761 11467869 1